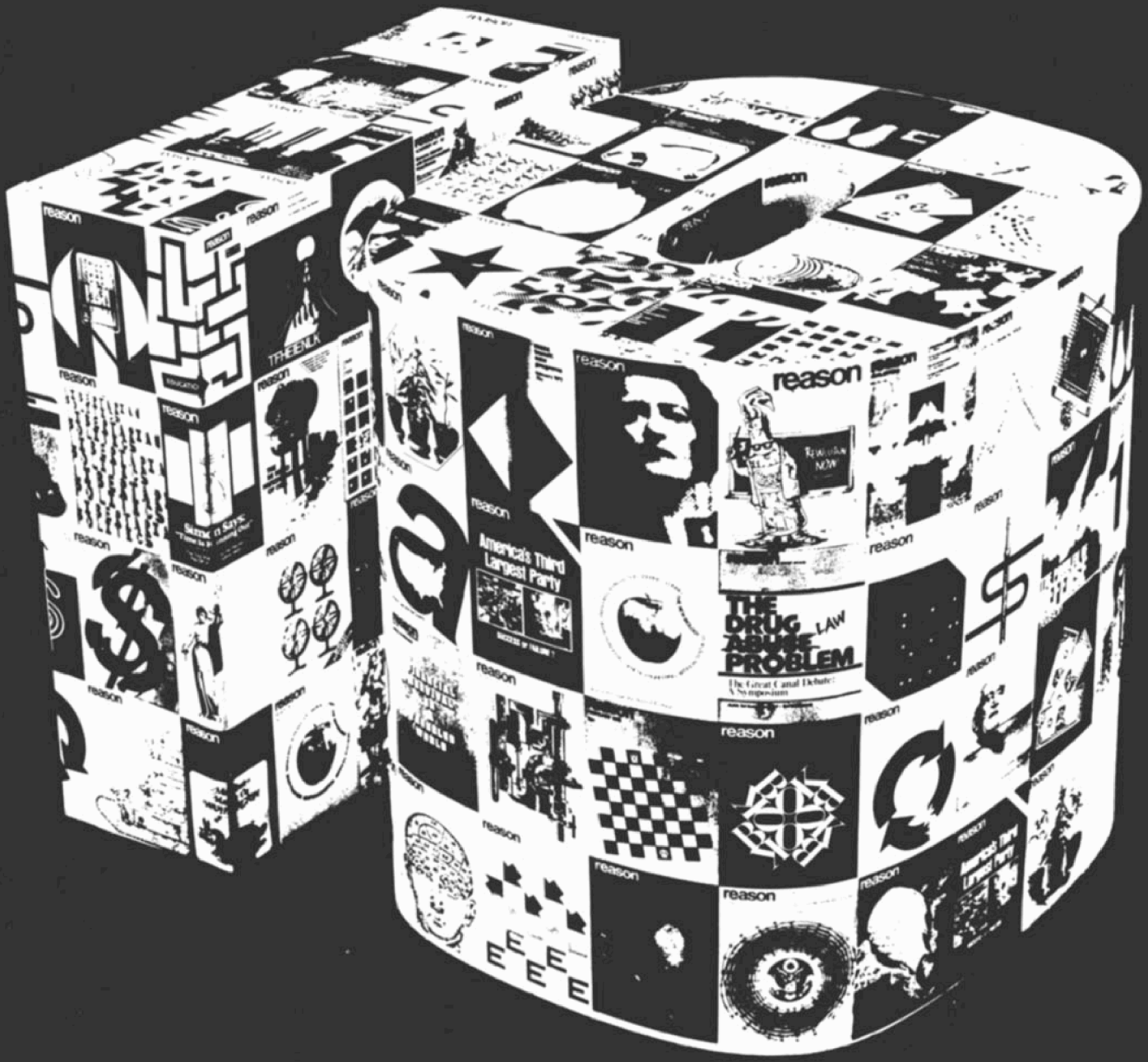
reason

MAY 1978 $2.50



Celebrating a Decade of Reason

Nathaniel Branden • Milton Friedman • Karl Hess • John Hospers
Robert Le Fevre • Roger MacBride • David Nolan • Robert Nozick
Robert Poole • Murray Rothbard

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

3 FOR 97¢

VALUES TO $70.40

361 THE POWER OF THE POSITIVE WOMAN —*Phyllis Schlafly.* Inspiring alternative to Women's Lib: the Positive Woman. $8.95

356 THE CAPITALIST READER. 14 giants (Mises, Hayek, Friedman, Rand, Boehm-Bawerk, etc.) show why capitalism works best. $9.95

173 DID YOU EVER SEE A DREAM WALKING? Wm. F. Buckley collects 23 brilliant spokesmen for conservatism. Over 600 pages. $8.50

514 MY ANSWER TO THE MOSCOW ATHEISTS — *Rev. Richard Wurmbrand.* Famed anti-Communist minister proves the existence of God. $7.95

LITURGICAL REVOLUTION— *Michael Davies*

530 Vol. 1: *Cranmer's Godly Order.* How the Catholic Mass became the Lord's Supper in 16th-century England. $7.95

532 Vol. 2: *Pope John's Council.* How liberals worked their will. $9.95

516 TEXTBOOKS ON TRIAL — *J. C. Hefley.* The rot fed to our children, and what you can do. $6.95

540 A CRITIQUE OF INTERVENTIONISM— *Ludwig von Mises.* First time in English. $8.95

518 INSIDE THE KGB—*Aleksei Myagkov.* Exciting account by highest-ranking KGB counterspy ever to defect. $7.95

306 HOW TO TUTOR—*S. L. Blumenfeld.* This guide *works.* 117 reading lessons, 73 writing lessons, 67 arithmetic lessons. $9.95

367 BUILDERS OF THE AMERICAN DREAM —*J. K. Fitzpatrick.* Warm portraits of 13 heroes: Washington, Eddie Rickenbacker, Lee, Lincoln, MacArthur, Lindbergh, etc. $9.95

528 THE CRITICS OF KEYNESIAN ECONOMICS. Henry Hazlitt assembles rebuttals by 22 masters: Hayek, Mises, Rueff, Roepke, Hutt, etc. $9.95

71 THE UNMAKING OF A MAYOR—*Wm. F. Buckley.* Sparkling rundown of 1965 campaign. $9.95

369 THE ASSAULT ON THE SEXES—*Jim & Andrea Fordham.* Witty traditional look at the Unisex Society. $9.95

548 THE 1978 INSIDER'S BANKING AND CREDIT ALMANAC — *Mark Skousen.* Make *extra* thousands on your bank accounts. $12.95

343 HOME OF THE BRAVE—*John A. Carroll & Odie B. Faulk.* A wonderfully readable history of America for *patriots.* Richly illustrated. Over 400 pages. $12.95

349 PLAYING THE PRICE CONTROLS GAME —*Mark Skousen.* How to outwit, even profit from, the coming controls—*legally.* $9.95

494 THE HOLY BIBLE—Family Reading Edition. Rich in valuable features: 67 color paintings by the great Tissot; 16 pages of daily Bible readings; Family Record Section; 106-page Concordance and Cyclopedia of Bible Facts; gold page edges and stamping; over 1,200 pages; large type; 7¾ x 9½ luxury size: weighs 3 lbs., 15 oz.; quick guidance on what Bible teaches—over 300 subjects; *much* more! King James Version. $16.50

478 LENIN IN ZURICH—*Alexander Solzhenitsyn.* "Masterly fusion of history, biography and the novelist's art."—*Publishers Weekly.* "A fine literary achievement." — *Wall St. Journal.* $8.95

180 McCARTHY & HIS ENEMIES—*Wm. F. Buckley & L. Brent Bozell.* Balanced, objective, best book on the subject. 444 pages. $9.95

337 THE LAST KENNEDY — *Robert Sherrill.* Teddy, Chappaquiddick and the big cover-up. "Devastating." — *Library Journal.* "A small, sardonic masterpiece."—*N.Y. Times.* $8.95

472 THE COMING BREAKPOINT—*Barry Goldwater.* "I do think the nation has less than ten years . . ."—then Barry shows why. $8.95

488 JESUS CHRIST BEFORE HE BECAME A SUPERSTAR—*J. K. Fitzpatrick.* Brilliant young writer refutes the updaters—with the words of Jesus Himself. $7.95

496 IN THE FOOTSTEPS OF JESUS — *W. E. Pax (Institute of Bible Research, Jerusalem).* Beautiful word-and-picture journey. 122 gorgeous photographs—68 in breathtaking full color. Oversized 8½ x 10. Printed throughout on rich coated stock. Informative text throws new light on the Gospel narratives. $19.95

462 THE COMING DEFLATION: ITS DANGERS — AND OPPORTUNITIES — *C. V. Myers.* The famed financial maverick delivers a sobering message. $8.95

470 THE COLLAPSE OF DEMOCRACY — *Robert Moss.* "An intellectual and political event of the first importance."—*National Review.* $9.95

358 CONCEIVED IN LIBERTY: Vol. 1 — *Murray N. Rothbard.* Readable libertarian history of colonial America. $15.00

458 CONCEIVED IN LIBERTY: Vol. 2—*Murray N. Rothbard.* The American colonies, 1710-1763. "Even better [than the first excellent volume]."—*Modern Age.* $12.95

476 CONCEIVED IN LIBERTY: Vol. 3 — *Murray N. Rothbard.* The colonies just before Independence, 1760-75. $12.95

15 SUICIDE OF THE WEST—*James Burnham.* What makes liberals that way? This classic gives the best answers yet. $7.95

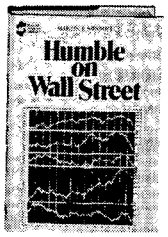
EXTRA FREE GIFT

in addition to your 3 for 97¢—when you join the Conservative Book Club and agree to buy 4 books at Club discount prices over the next 18 months

HUMBLE ON WALL STREET

by Martin T. Sosnoff

The Barefoot Boy from the Bronx manages millions of dollars — successfully. Here's how he does it, and keeps his sense of irreverent humor. $8.95



364 DOUBLE YOUR MONEY EVERY 3 YEARS—*Gerald Appel.* Giant encyclopedia of financial plans for every investment need. $25.00

426 TRADING SILVER — PROFITABLY — *D. Turner & S. H. Blinn.* 13 computer-tested methods—but none for the fainthearted. $11.95

438 FROM UNDER THE RUBBLE—*Alexander Solzhenitsyn.* The greatest writer of our time joins six other dissidents to score Red tyranny —and Western liberalism. $8.95

377 HOW YOU CAN BEAT THE KILLER DISEASES—Harold W. Harper, M.D. & Michael L. Culbert. New nutritional approaches that can help you live better—and longer. $8.95

452 LIBERAL PARENTS, RADICAL CHILDREN—Midge Decter. "Right on target . . . feisty, fighting book . . . splendid stimulus to a critically needed self-examination."—*Wall St. Journal.* $7.95

422 THE UNHOLY ALLIANCE — *C. Gregg Singer.* Outspoken history of the National Council of Churches. $11.95

36 JFK: THE MAN & THE MYTH—*Victor Lasky.* Classic political biography, and still the best on Kennedy and the Clan. $12.95

432 HOW THE EXPERTS BUY AND SELL GOLD BULLION, GOLD STOCKS & GOLD COINS—*James E. Sinclair & Harry D. Schultz.* How to profit in up *and* down markets. $8.95

296 THE FAILURE OF THE "NEW ECONOMICS"—*Henry Hazlitt.* Definitive refutation of Keynes. $11.95

CONSERVATIVE BOOK CLUB

165 Huguenot Street, New Rochelle, N.Y. 10801

Please send me FREE *Humble on Wall Street* plus the 3 books whose numbers I have entered below:

Bill me for only 97¢ for all 4, plus shipping, and enter my membership in the Conservative Book Club—the only book club expressly for political conservatives. I agree to buy 4 more books in the next 18 months from among more than 150 to be offered—books on politics, investing, religion, social issues, Communism, economics, conservative ideas, history, etc. Membership entitles me to a free subscription to the Club Bulletin, which brims with book bargains and offers me opportunities to get in touch with my fellow members. I am eligible to buy Club books at discounts that range from 20% to 50% plus shipping. If I want a Selection, I do nothing; it will come automatically about a month later. If I don't want a Selection, or if I prefer one of the several Alternates, I simply inform you on the handy form always provided. I'll be offered a new Selection every 24 days—15 times a year. If due to late mail delivery I get a Selection without having had 10 days to decide if I want it, I may return it at Club expense.

RE 245

Name _____

Address _____

City/State _____ Zip _____

reason

A forum for analysis and commentary, with an emphasis on individual liberty.

MAY 1978/VOL. 10, NO. 1

FEATURES

WHICH WAY FOR CAPITALISM?
By Milton Friedman 18

WHO WOULD CHOOSE SOCIALISM?
By Robert Nozick 22

LIVING IN FREEDOM
By Karl Hess 24

RETURN FROM THE STARS
By Robert LeFevre 26

A FREE AMERICA
By John Hospers 32

A NEW *WORLD* REVOLUTION
By Roger L. MacBride 35

OUT OF THE LIVING ROOM
By Murray N. Rothbard 36

THE ROAD TO LIBERTY
By David F. Nolan 38

REMINISCENCES AND PROGNOSTICATIONS
A REASON Panel 44

THE IMPOSSIBLE TAKES A LITTLE LONGER
By Robert Poole, Jr. 51

REASON'S TENTH-ANNIVERSARY BANQUET 56

THANK YOU, AYN RAND, AND GOODBYE
By Nathaniel Branden 58

DEPARTMENTS

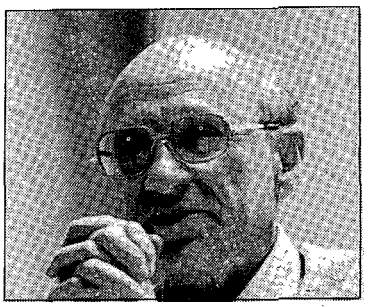
EDITORIAL/Ten Years After 6

VIEWPOINT/The Petr Principle 62

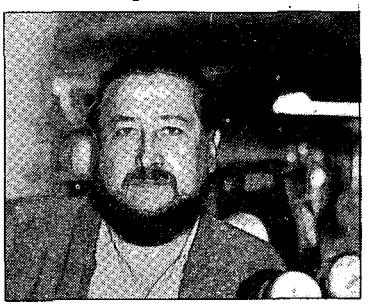
SPOTLIGHT/Agency Activist 64

CONTENTS OF VOLUME 9 69

LETTERS 4
BRICKBATS 14
TRENDS 15
WASHINGTON WATCH 63
MOVIES 65
BOOKS 66
FRONTLINES 70
CLASSIFIEDS 73

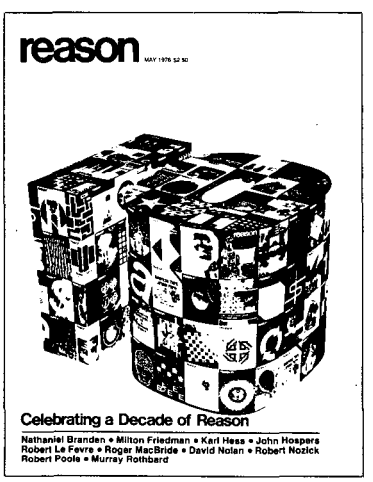


Friedman expounds 18



Hess describes 24

Rothbard exhorts 36


reason
Celebrating a Decade of Reason
Nathaniel Branden • Milton Friedman • Karl Hess • John Hospers
Robert LeFevre • Roger MacBride • David Nolan • Robert Nozick
Robert Poole • Murray Rothbard

Cover photo by Jacqueline Ansteth

REASON is published monthly by Reason Enterprises, 805 A West Figueroa, Santa Barbara, CA 93101. Tel. (805) 962-1079. Second class postage paid at Santa Barbara, CA and at additional mailing offices. Postmaster: Please send Form 3579 to REASON, Box 40105, Santa Barbara, CA 93103. Copyright © 1978 by Reason Enterprises. All rights reserved. Opinions expressed in signed articles or columns do not necessarily represent the view of the editors.

CORRESPONDENCE: Address comments, manuscripts (for return, please include a self-addressed, stamped envelope), classified ad orders (with full payment) and subscription orders to REASON, Box 40105, Santa Barbara, CA 93103. Two copies of manuscript required. Author information sheet available on request. Address mail concerning display advertising to Media Selection Corp., Box 296, Goleta, CA 93017.

CHANGES OF ADDRESS: Please allow six weeks for change of address. Send address label and new address to Circulation Dept., REASON, Box 40105, Santa Barbara, CA 93103. Requests for missing issues due to late notice of change of address, or older than two months from current date, will not be honored unless accompanied by payment.

ISSN 0048-6906

reason

EDITORS
Manuel S. Klausner
Robert Poole, Jr.

SENIOR EDITOR
Tibor R. Machan

BOOK REVIEW EDITOR
Marty Zupan

CONTRIBUTING EDITORS
David Brudnoy
James Dale Davidson
Edith Efron
Mark Frazier
John Hospers
Eric Mack
Henry G. Manne
Karl T. Pflock
Alan Reynolds
Murray N. Rothbard
Thomas Szasz

FOREIGN CORRESPONDENTS
Prakash Aswani/Middle East
Anne Brincker/Denmark
Victor Filmer/New Zealand
Ole-Jacob Hoff/Norway
Bob Howard/Australia
A. Michael Keerma/Canada
Riccardo La Conca/Italy
Guy de Maertelaere/Belgium
H. Joachim Maitre/West Germany
N. G. Molinelli/Argentina
Michael van Notten/The Netherlands
Hugo Salinas-Price/Mexico
Pauline Russell/England
Marc Swanepoel/South Africa

DEPARTMENTS
Bill Birmingham/Brickbats
Alan Bock/Washington Watch
Joe Cobb/Frontlines
James Dale Davidson/Experience
John Hospers/Movies
Randall K. Hylkema/Rudebarbs
Mark Tier/Money
Manuel S. Klausner/Publisher's Notes
Robert Poole, Jr./Trends

ART DIRECTOR
Don Wood

ADVERTISING: REASON is represented for display advertising by Media Selection Corp., Box 296, Goleta, CA 93017. Tel. (805) 964-3561. Jim Lance, president. Obtain rate card before sending copy. Send classified ad orders with full payment, to Reason Classifieds, Box 40105, Santa Barbara, CA 93103.

SUBSCRIPTION RATES: Single copies, $1.50. Special Issues, $2.50. REASON publishes two Special Issues annually, which are sent to subscribers at no extra cost. Subscriptions: one year (12 issues) in the United States, $15.00; 2 years, $24.00; 3 years, $32.00. Other countries: add $1.50 extra per year.
BACK ISSUES: Write for back issue list for current prices. Volumes 1-4 are available on microfilm from University of Southern California Library Micrographics Dept., University Park, Los Angeles, CA 90007. Volumes 5 and up are available from Xerox University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106. Indexed in *Historical Abstracts* and *America: History and Life.*

letters

Unbelievable!

Edith Efron's column ["Warning to Constitutional Republicans," February] is simply and literally *not to be believed:* in that farrago of ignorance, misrepresentation, and fantasy there is scarcely a sentence that has any contact with truth or reality. It would be absurd for me to take the article seriously enough to write a point-by-point refutation, but on one matter I must rise to protest. There is not one word of truth in her alleged report of our private conversations. I never tried to "take over" any party of which Eldridge Cleaver was the head; and, in the course of working with leftists against the draft and the Vietnam War, I never once had the absurd idea of converting them to capitalism or the free market, sneakily or in any other way.

Above all, no one has ever pulled a gun on me, in the ribs or in any other way. How she dreamed up *that* lulu the Lord only knows.

Nor, of course, did I ever tell her any of this stuff. Her story is all preposterous nonsense. I can only conclude that, in her eagerness to use any brush to smear libertarians, Miss Efron is either lying her head off or succumbing to the very "nightmares" she accuses us of entertaining.

From this disgraceful performance, it is clear that any reputation Miss Efron may have as an accurate reporter needs serious reevaluation. Her loathsome article can only leave a deep moral stain on its author.

Murray N. Rothbard
Palo Alto, CA

Ms. Efron replies: Murray Rothbard did indeed tell me that story.—**Edith Efron**

Entering the Arena

It is only because Ms. Efron regards it as "the most important" that I wish to make a critical comment on a point covered in her stirring column. I am certainly someone, though not the only one, who has not been silent about the anarchist/archist issue within the libertarian intellectual arena. Indeed, I have received ample abuse for having kept the matter alive in my own works throughout the last decade. (See, most recently my Viewpoint column in REASON, May 1977.) Two of my books—on Skinner and on human rights—deal with the issue head on. Even my introductory textbook in philosophy discusses it.

This fact, in turn, would seem to require certain modifications of Ms. Efron's explanation of the disarray in libertarianland. Aside from keeping crucial issues alive, other matters appear to be required to make progress. For example, people such as Ayn Rand, Nathaniel Branden, Robert Bleiberg, and, indeed, Edith Efron, who have the stature or news value within the existing intellectual arena, need to do their best to put the constitutional republican libertarian viewpoint into the respected forums of contemporary debate. These and other thinkers surely have the ability to write for *Commentary, Harper's, Atlantic Monthly, National Review, Encounter,* and other prominent forums; yet they have not appeared there and thus have not managed to pave the way for others to make an impact. The lack of prominence (or outstanding talent) of many others makes it unlikely that they would be first in line to be admitted to established forums with the reverent revolutionary ideas Ms. Efron and I know to be crucial to a revitalization of political liberty.

Tibor R. Machan
Senior Editor

Not a Maoist

Edith Efron's comments on me in her recent article were not true. First, she said that I am an "IPS contributor" to *Inquiry* magazine. I have not been connected with the Institute for Policy Studies for five years and have not, as a matter of fact, even set foot in the place for about four years (and then only to pick up mail).

When I was conducting seminars at IPS it was as an anarchist and never as a collectivist. My seminars, as a matter of fact, were the very ones in which private property was *defended,* not repudiated. What I have repudiated is the notion that General Motors (et al) with heavy state subsidy and even capitalization is private. I think of the great corporations as one of the most socialistic parts of the political economy. I have, on the other hand, defended social ownership of property wherever this ownership is by volitional arrangement.

As to capitalism, I have said repeatedly

(*Continued on p.8.*)

The Ultimate Tax Shelter

by
TED NICHOLAS

Tax experts are now referring to a small, privately owned corporation as "The Ultimate Tax Shelter." This is especially true since the passage of the Tax Reform Act of 1976. This law makes most former tax shelters either obsolete, or of little advantage. Investments affected include real estate, oil and gas drilling, cattle feeding, movies, etc. These former tax shelters have lost their attractiveness. Aside from that, these tax shelters required a large investment. Only a small segment of the population could benefit from them.

I've written a book showing how you can form your own corporation. I've taken all the mystery out of it. Thousands of people have already used the system for incorporation described in the book. I'll describe how you may obtain it without risk and with a valuable free bonus.

A corporation can be formed by anyone at surprisingly low cost. And the government encourages people to incorporate, which is a little known fact. The government has recognized the important role of small business in our country. Through favorable legislation incorporating a small business, hobby, or sideline is perfectly legal and ethical. There are numerous tax laws favorable to corporate owners. Some of them are remarkable in this age of ever-increasing taxation. Everyone of us needs all the tax shelter we can get!

Here are just a few of the advantages of having my book on incorporating. You can limit your personal liability. All that is at stake is the money you have invested. This amount can be zero to a few hundred or even a few thousand dollars. Your home, furniture, car, savings, or other possessions are not at risk. You can raise capital and still keep control of your business. You can put aside up to 25% of your income tax free. If you desire, you may wish to set up a non-profit corporation or operate a corporation anonymously. You will save from $300 to $1,000 simply by using the handy tear-out forms included in the book. All the things you need: certificate of incorporation, minutes, by-laws, etc., including complete instructions.

There are still other advantages. Your own corporation enables you to more easily maintain continuity and facilitate transfer of ownership. Tax free fringe benefits can be arranged. You can set up your health and life insurance and other programs for you and your family wherein they are tax deductible. Another very important option available to you through incorporation is a medical reimbursement plan (MRP). Under an MRP, all medical, dental, pharmaceutical expenses for you and your family can become tax deductible to the corporation. An unincorporated person must exclude the first 3% of family's medical expenses from a personal tax return. For an individual earning $20,000 the first $600 are not deductible.

Retirement plans, and pension and profit-sharing arrangements can be set up for you with far greater benefits than those available to self-employed individuals.

A word of caution. Incorporating may not be for you right now. However, my book will help you decide whether or not a corporation is for you now or in the future. I review all the advantages and disadvantages in depth. This choice is yours after learning all the options. If you do decide to incorporate, it can be done by mail quickly and within 48 hours. You never have to leave the privacy of your home.

I'll also reveal to you some startling facts. Why lawyers often charge substantial fees for incorporating when often they prefer not to, and why two-thirds of the New York and American Stock Exchange companies incorporate in Delaware.

You may wonder how others have successfully used the book. Not only a small unincorporated business, but enjoyable hobbies, part time businesses, and even existing jobs have been set up as full fledged corporations. You don't have to have a big business going to benefit. In fact, not many people realize some very important facts. There are 30,000 new businesses formed in the U.S. each and every month. 98% of them are small businesses; often just one individual working from home.

To gain all the advantages of incorporating, it doesn't matter where you live, your age, race, or sex. All that counts is your ideas. If you are looking for some new ideas, I believe my book will stimulate you in that area. I do know many small businessmen, housewives, hobbyists, engineers, and lawyers who have acted on the suggestions in my book. A woman who was my former secretary is incorporated. She is now grossing over $30,000 working from her home by providing a secretarial service to me and other local businesses. She works her own hours and has all the corporate advantages.

I briefly mentioned that you can start with no capital whatsoever. I know it can be done, since I have formed 18 companies of my own, and I began each one of them with nothing. Beginning at age 22, I incorporated my first company which was a candy manufacturing concern. Without credit or experience, I raised $96,000. From that starting point grew a chain of 30 stores. I'm proud of the fact that at age 29 I was selected by a group of businessmen as one of the outstanding businessmen in the nation. As a result of this award, I received an invitation to personally meet with the President of the United States.

I wrote my book, **How To Form Your Own Corporation Without A Lawyer For Under $50**, because I felt that many more people than otherwise would could become the President of their own corporations. As it has turned out, a very high proportion of all the corporations formed in America each month, at the present time are using my book to incorporate.

Just picture yourself in the position of President of your own corporation. My book gives you all the information you need to make your decision. Let me help you make your business dreams come true.

As a bonus for ordering my book now, I'll send you absolutely free a portfolio of valuable information. It's called "The Incom Plan" and normally sells for $9.95. It describes a unique plan that shows you how to convert most any job into your own corporation. You'll increase your take-home pay by up to 25% without an increase in salary or even changing jobs in many cases. If you are an employer, learn how to operate your business with independent contractors rather than employees. This means that you'll have no payroll records or withholding taxes to worry about. And you'll be complying with all I.R.S. guidelines. "The Incom Plan" includes forms, examples and sample letter agreements to make it possible.

I personally guarantee your purchase in the fairest way I know. If you feel my book is not all that I've described, return it undamaged within a full year and I'll promptly refund your money with no questions asked. If you should decide to return it, you may keep the bonus Incom Portfolio for your trouble.

To get your copy, write the words "Corporation Book and Bonus" on a plain sheet of paper, along with your name and address. Enclose a check for $14.95. There is no sales tax on your order and your purchase price is tax deductible. Mail your order to me, Ted Nicholas, c/o Enterprise Publishing Co., Dept. RE-84C , 1000 Oakfield Lane, Wilmington, Delaware 19810. C1016

Copyright © 1978 Enterprise Publishing Co.

Ten Years After

editorial

Since this issue marks REASON's 10th year of publishing, it seems appropriate to review the events of the past decade. REASON was founded in order to popularize certain ideas—rationality, individualism, liberty—in an era in which they had fallen increasingly into disfavor. How far have we come in 10 years? Is America any better off for 10 years of effort by REASON and our intellectual allies?

It's easy to sink into pessimism. The past decade has, after all, witnessed a tremendous growth in the magnitude of the federal budget, to the half trillion dollar level. Large budget deficits are accepted as a matter of course. The role of the State has continued to grow, with several very powerful new federal agencies coming into being—EPA, OSHA, and the Department of Energy among the worst. The inflationary bias built into the economy has ratcheted upward, to the point where 6-7 percent annual inflation now seems to be accepted as "normal."

These facts are undeniable, but focusing on them alone gives us a very misleading picture. All of the above reflect simply the ongoing momentum of the juggernaut set in motion in previous decades, the logical consequences of a philosophy of collectivism. To understand what's really going on, you have to look at what the *new* ideas are, where the *initiatives* are coming from. And it is here that a libertarian trend is unmistakable.

Consider the past decade's progress in the area of civil liberties. That ultimate expression of State coercion—the draft—has been abolished. Ten states, encompassing one-third of the US population, have abolished criminal penalties for marijuana possession. Laetrile has been decriminalized in 14 states. Laws restricting sexual activity between consenting adults have been struck down or repealed in most of the states where they were still on the books. "Protective" legislation discriminating against women has been abolished in many states, even without passage of the still-uncertain Equal Rights Amendment.

Significant initiatives have occurred in the realm of economic freedom, as well. Deregulation—a word unheard of in 1968—has become a vital part of the political lexicon. The case for airline deregulation has been made so persuasively that the CAB itself is turning handsprings to introduce price competition while Congress is about to pass legislation significantly reducing the agency's control. Cargo airlines have already been deregulated. Trucking deregulation is on the horizon, and removal of subsides to barge operators is imminent. The entire Communications Act of 1934—the basis for FCC regulation—is being reviewed, and talk of radio deregulation is in the air. Significant new competition in telephone service has been permitted by the FCC in the past decade. Some form of natural gas price deregulation will probably have been enacted by the time you read this.

Studies showing the harmful effects of state licensing laws and bans on advertising are having an effect. Anti-competitive restrictions are being overturned in state after state, and sometimes by the Supreme Court. Price advertising has come to the professions—engineering, law, medicine, dentistry—offering new choices and services to consumers. Some licensing boards have already been abolished (e.g., in Colorado) thanks to sunset laws, and proposals to extend licensing to new fields are being defeated (e.g. in Louisiana).

We have also seen the restoration of the right of individuals to own gold, and more recently, to insert enforceable gold clauses into contracts. Economist Art Laffer's influential studies of international monetary affairs suggest strongly that a new gold standard may be the only effective way to combat inflation.

Advocates of freedom—libertarians and free-market economists—have been influential in accomplishing all of these changes. Aiding them in this task has been a growing public (and intellectual) disenchantment with the State as the universal problem solver. The Vietnam War, the failure of Great Society programs, the Watergate affair—all have contributed to shattering the myth of the benevolent State. As a result, political candidates—from Jimmy Carter to Jerry Brown to Ronald Reagan—all find they must run *against government*, at least rhetorically, if they hope to win.

This anti-government mood is more than just a fad; it extends deep into the grass roots. Serious state tax limitation efforts are under way in Massachusetts, Michigan, and California. Some 23 states have passed the National Taxpayers Union resolution to amend the Constitution to require a balanced federal budget. The "tax revolt" movement opposing the income tax continues to grow.

In Washington the anti-government mood has gone beyond rhetoric, as witness the recent defeat of the consumer protection agency proposal, the continued failure of national health insurance proposals, and the blunting of most of Carter's energy package. Liberal columnist David Broder recently pointed out that Carter's 1978 budget "marks the first time in this century that a newly elected Democratic President has failed to ask for major funds for a single significant new domestic welfare program." As Broder sees it, public "fear of a meddlesome, bureaucratic big government" lies behind the rejection of further statism by Congress.

Outside the political realm, have our ideas of freedom and individualism had much effect? Again, there are many encouraging trends. The past decade has seen numerous media breakthroughs—Karl Hess in *Playboy*, Murray Rothbard in *Ramparts* and the *New York Times*, REASON articles reprinted in the *Congressional Record* and major newspapers. Two free-market economists have been honored with Nobel Prizes— F. A. Hayek in 1974 and Milton Friedman in 1976. Philosopher Robert Nozick set the intellectual community buzzing with his pathbreaking *Anarchy, State and Utopia*, winning a National Book Award in the process.

In the personal realm, individualism has made a come-back, so much so that Tom Wolfe calls the 1970's the "me decade" and Peter Marin puts it down as the "new narcissism." But despite some inevitable faddishness, the new emphasis on individual fulfillment and rational self-interest bodes well for the future. In psychology the trend is exemplified in Nathaniel Branden's popular books and intensives. In the self-help field, the success of books by Robert Ringer and Harry Browne—both clearly pro-self interest and anti-State—is very encouraging.

We have, in short, a social and political environment in 1978 vastly more hospitable to our ideas than anyone could have imagined in 1968. And it is *we*—the advocates of the individual, of liberty, of rationality—who are taking the initiative, rather than the apostles of statism and collectivism. How much progress we can make in the next decade no one can predict. But if the momentum of *our* ideas continues to accelerate as it has since 1968, the America of REASON's 20th anniversary will be a far better place than that of its 10th.

Robert Poole, Jr.

Biophysicist Carey Reams says:

"Heart attacks can be foreseen from minutes to months in advance– and prevented"

Biophysicist Carey Reams has spent much of his life in research of nutrition and heart disease. His reputation for successfully helping heart patients has grown to international fame. People with heart problems fly to visit him from Africa, Australia, Korea, Japan, Germany, Spain, Italy, England, Ireland, Alaska, Canada, Mexico, South America and other parts of the world. His classes in nutrition are attended by medical doctors who come from all over the globe. Since 1970 alone, Carey Reams has designed special nutritional programs for over 8,000 heart patients.

Now in an exclusive interview with *The Healthview Newsletter*, Carey Reams discusses his unorthodox and controversial views on detecting oncoming heart attacks—and how to prevent them.

What makes Reams say that heart attacks can be detected in advance?

"Heart attacks do not suddenly jump on anyone. Like other diseases, heart attacks have symptoms that can be detected in advance."

How can oncoming heart attacks be detected? Reams Answer:

"There is a urine test that can pick up the heart attack danger zone. It is very accurate. Anyone found in the danger zone who ignores the warning is virtually committing suicide."

Can a person usually feel the symptoms of an oncoming heart attack?

"Not necessarily. You can feel as if you are in excellent health and yet be in imminent danger of a massive and perhaps fatal heart attack."

How to prevent an oncoming attack

In this exclusive interview, Reams describes in detail how the urine test works, what it can tell you about your heart's health, and where you can conveniently take it.

Furthermore, he explains his views on . . .

- Two common body toxins that he believes cause most heart attacks. How to flush them out of your system.
- How to de-clog your arteries of cholesterol gently, naturally and safely.
- A special health product that can remove you from the heart attack "danger zone" in only 24 hours (it's not vitamin E). Where to buy it.
- Simple, enjoyable steps you can take to strengthen your heart and lessen the risk of heart attack, including 7 common, delicious foods that build your heart's strength naturally.

This exclusive interview with heart researcher Carey Reams is yours as a BONUS with a 6-month Introductory Subscription to *Healthview. Healthview,* a monthly newsletter, is designed for people seeking intelligent guidance on how to get better results from a nutritional program or how to get relief from a specific ailment. So it concentrates on specific nutritional advice that you can put to use immediately—advice about how to *improve your metabolism,* how you can *gain more energy,* and how you can *lose weight naturally.*

It tells you what you should do to prevent colds and the flu, how you can gain relief from the pain of arthritis, and how you can retard (and sometimes even reverse) hair loss. It gives you advice for constipation, diarrhea, bowel problems, benign tumors, low blood sugar, skin problems—and much, much more. In sum, Healthview is designed to bring you all the information you need to live longer and better—naturally. Send in the coupon below to get your bonus report and your Introductory Subscription.

Healthview Newsletter
2677 State Highway 70, Charlottesville, VA 22906

Please rush my bonus copy of the interview with Carey Reams and start my subscription at once.

I understand that if within 60 days I am not completely delighted with the Healthview Newsletter, I may cancel for a full and prompt refund. In any case, the bonus interview with Carey Reams is mine to keep.

Please enter my subscription for:

☐ **12 issues, 1 year:** I enclose $18. (I save $2) ☐ **6 issues, 6 months:** I enclose $10.

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____ R-2

©1978 HEALTHVIEW NEWSLETTER

Liberty Coin Service

OR

"Foremost in the purchase and sale of precious metals."

- Lowest Prices
- Prompt Service
- Serving the Libertarian Community since 1971

For information on investing in silver or gold, or for current quotes, call *L C S* at 517 351-3466. Or fill in and return the coupon below.

- - - - - - - - - - - - - - - - - -

Liberty Coin Service
300 Frandor Ave Lansing, MI 48912

Name_____

Address_____

City, State, ZIP_____

"a full scale tax revolt is underway," says Washington, Newsletter .....

now, if **YOU** are ready to consider a little tax terminating of your own .....

..... be sure **YOU** attend:

TAX LIBERATION CONGRESS

at the **HYATT HOUSE HOTEL** at Los Angeles Int'l Airport

April 14, 9 a.m. - 10 p.m., & April 15, 9 a.m. - 5 p.m.

Speakers will include leading tax repealers and bureaucratic tamers: **Dr. Martin Larson, Howard Jarvis, Dr. John Richardson, Art Porth, Ardie McBrearty, Bert McCarty, Charles Rietz, Dr. Frank Brockway, Armin Moths,** and others

Advance registration (includes two deluxe luncheons):

Single: 39.00 **Couple: 59.00**

(add 5.00 if you register at door)

Send registration to:

UNITED STATES TAXPAYERS UNION
Box 2757, El Cajon, CA. 92021
Ph: 714-442-8045
also: 714-879-3657

letters

(Continued from p.4.)

that I would not want to live in a capitalist community if I could choose, instead, to live in a co-operative community. My personal interests, which do not include management and administration, center on art and science, areas in which, as a careful and not cursory study will show, competition has not been a driving force. (Individual inspiration and open discussion, shared knowledge, etc., play key roles.)

Those are trivial distortions, however, compared to what I personally regard as an actual libel. If actionable, I shall certainly take the advantage of Miss Efron's own ethics and seek redress from state law. The statement that so offends me is her declaration that I have called myself a Maoist. I have certainly expressed interest in and support of those developments in China which, during the Maoist period, permitted development of some self-reliant communities, encouraged some decentralization, and made it possible for research in biology to advance as rapidly as research in physics had advanced elsewhere. I am not a Maoist. The only other place beside Miss Efron's article that I have been described as a Maoist, so far as I know, is in the intelligence files of the FBI, parts of which I (and perhaps Miss Efron) have recently obtained under the Freedom of Information Act.

Karl Hess
Kearneysville, WV

Gratitude

I am grateful to Ms. Efron for proving that there is no such thing as unprintable rubbish.

Bill Birmingham
Santa Barbara, CA

Smearing Anarchists

While I agree in essence with Edith Efron's column I must take strong exception to some of her other statements, but especially to her smear against anarchists.

As an anarchist, I resent being lumped together with those anarchists who style themselves as libertarians while often seeming to forget the basic philosophy of libertarianism. The anarcho-capitalistic position is not the negative one of opposition to the State, *any* State, as Efron implies. Indeed, that is simply a derivative of the anarchist's *positive* statement, that voluntary means of social organization based in property rights is the only *moral* form of social organization as well as the most practical and most efficient, for *all forms* of social organization.

I, with Efron, am also sorry that the limited-statist/anarchist debate has been "suspended" within the libertarian movement. It seems that the positive elements of the anarchist position have been forgotten. Efron certainly makes no attempt to rebut the anarchist position. She simply smears all of us while attacking one person, Murray Rothbard, who makes statements she abhors while incidentally perhaps, being an anarchist as well.

Let me disassociate myself and, hopefully many other libertarian anarchists from Rothbard's non-contextual statements and from Efron's smear.

There are a number of other statements in Efron's article which sound distinctly non-libertarian to me. For example, her assertion that the affirmative aspects of the limited statist position include "the value of the nation, the necessity of a national culture...."

What is a "national culture" and who imposes it? If it is simply the result of the nature of a society, then the concept can apply to any form of society, including the anarchist variety. If it is something that results from freedom, then it is obviously a value of an anarcho-capitalist society as well as the limited statist version.

"The value of the nation" is a similar concept. However, such concepts can be treacherous. They can lead to the idea that a government must support these values by affirmative action, like promoting competition with anti-trust laws. I trust on these and similar points I am seeing something that Ms. Efron did not intend to be there.

Mark Tier
Hong Kong

Cheers

Bravo for publishing Edith Efron's article. I don't have the multi-millions of the foundation which supports the other "libertarian" publications, but enclosed is a check to help you keep afloat.

REASON is really a magazine of reason. As you stated, consider the alternatives.

I can see that your latest literary contributors do not: (1) rejoice in the communist takeover in Vietnam because it reduces the number of States in the world; (2) become overly happy with the leftist anti-semitic separatists in Quebec because they would *increase* the number of States in the world; (3) become indifferent

to the plight of Russian intellectuals.

Simply stated, your present contributors do not appear to be happy with events which benefit only the communists and end up in massive blood baths. Nor do your contributors give the communists any sanctions.

Mike Oliver
Carson City, NE

Libertarian Liberation

I was rather shocked by Edith Efron's column in the February issue of REASON magazine. Among the half-truths and distortions in that piece I found the following:

"Libertarians running for office have blindly supported every 'liberation' movement—Gay Lib, Transvestite Lib, Women's Lib, etc.—although each of these movements actually advocates coercive egalitarianism, collectivism and statism."

I have been active in New York's Free Libertarian Party for almost six years, was once a Party candidate for public office and am an active member of the Association of Libertarian Feminists and Libertarians for Gay Rights. As many veteran libertarian activists know, I (and other Libertarian candidates much more prominent) have explicitly and publicly opposed coercive "liberation" measures of any type. The LP Resolution condemning Anita Bryant's crusade (which resolution was publicly endorsed by all four former LP Presidential and Vice Presidential candidates) expressly states its opposition to the Dade County Ordinance because of its coercive intent. And let's not forget the excellent gay rights pamphlet distributed by the MacBride for President Committee and written by the Senior Editor of *Inquiry* magazine. After listing 10 anti-statist planks for libertarian gay rights activists to support, the author clearly and forthrightly argues against the coercive "gay rights" measures put forward by many non-libertarians.

And then there is the Association of Libertarian Feminists. ALF literature lists a statement of principles that includes presenting "a libertarian alternative to those aspects of the women's movement that foster dependence and collectivism." For reasons of her own, Ms. Efron apparently decided that these and other facts were not important enough to mention in her article.

There is also the curious statement that *movements* advocate something although—one shouldn't have to point this out to a libertarian—only *individuals* advocate things. It is true, of course, that many individuals in the various liberation movements *do* advocate State coercion, but it is not true that libertarians have embraced their statism. We have joined the "lib" movements to work for *genuine liberation*—supporting other liberationists when they battle against coercion and opposing them when they clamor for it.

Ms. Efron may choose not to associate with us. That is her right. But her misleading statement about libertarian feminists and libertarian gay rights activists does a disservice to us and to the cause of liberty as well.

Thomas Avery
New York City

Ideological Hari-Kari

Hats off to Edith Efron for her "Warning to Constitutional Republicans." As a recent (and grateful) refugee from the statist Left (including three years in the Young Socialist Alliance), I have never understood supposedly rational libertarians fawning over that pack of philosophical morons.

As a lesbian feminist, I participated in the various leftist controlled liberation movements mentioned by Ms. Efron, both as a leftist and recently as a libertarian. I must agree with Ms. Efron—the

Now Available:

The Servile State
By Hilaire Belloc

A perceptive warning, first published in 1913, of the consequences of statism and the effect of socialist doctrine on capitalist society. With an introduction by Robert Nisbet. "A landmark of political thought in this century"—Walter Lippmann. Hardcover $8.00, Softcover $2.00.

Popular Government
By Sir Henry Sumner Maine

A classic inquiry into the conditions necessary for the success of representative government, by the author of *Ancient Law*. This edition includes Maine's famous essay on "The Constitution of the United States." With an introduction by George W. Carey. Hardcover $7.95, Softcover $1.95.

Arator
By John Taylor

The most popular and influential work by John Taylor of Caroline, foremost philosopher of the conservative Jeffersonians. This edition includes sixty-four essays, practical and political, on farming and the social order of an agricultural republic. Edited and with an introduction by M. E. Bradford. Hardcover $9.00, Softcover $3.00.

LibertyPress LibertyClassics

We pay postage on prepaid orders.
To order these books, or for a copy of our catalog, write:
LibertyPress/LibertyClassics
7440 North Shadeland, Dept. J8
Indianapolis, Indiana 46250

Left is adamantly statist and anti-capitalist. Attempting to work with such a group as a libertarian is to commit ideological hari-kari. These proponents of State-enforced egalitarianism are not above placing a (worker's) boot in the face of an honest libertarian (or a gun in the ribs ala Murray Rothbard) to emphasise they mean business.

California Libertarians for Gay Rights (LGR), attempting to work with a California-based gay coalition to defeat the Briggs initiative, suffered such a fate. (If passed, the Briggs initiative would outlaw the hiring of homosexuals as public school teachers).

LGR's workshop was scuttled, our resolution shelved, and our presence ignored. When the final general session of the coalition degenerated into a plenary session of the workers' state, we packed up our principles and walked out. (Incidentally, when the proletariat finished dictating, over 40 resolutions [excluding LGR's of course], most unread, *all* undebated, were passed; they ranged from advocacy of federally funded abortions to support of forced busing). The libertarian departure from the "coalition" was accompanied by a tumultuous ovation. Ideological buddies on the Left? Nonsense!

I concluded that the only principled position for libertarians when dealing with the Left, is to unashamedly denounce their immoral premises; refuse to make unholy alliances with them; and concentrate instead on building our own principled, vocal and aggressive counter movement. If a group of pragmatic anarchists is obstructing such a movement, then let the debate begin. I would rather participate in a smaller, but principled organization of only limited government advocates than be suckered into being a flunky for the Left.

Valerie J. Valrejean
Los Angeles, CA

Single Issues

Edith Efron, in saying that libertarians "have absorbed the counter-cuture's notion that nothing has higher priority for lovers of liberty than the right to take dope, to contemplate pornography and to enact the full repertoire of Kraft-Ebing.... By now, there is scarcely a counter-culture crusade or a leftist ideological bastion that libertarians have not embraced" seems to imply that one must not work for causes unless they are socially respectable.

As a libertarian who was involved for several years in a "counter-culture crusade"—the successful movement in 1964-70 for the abolition of the draft—I must disagree with this implication.

As the president of the Metropolitan Young Republican Club of New York City and chairman of its Committee for the Abolition of the Draft, I appeared on many college campuses on panels opposing the draft—panels whose members included, beside Quaker pacifists, members of SNCC, spokeswomen for the Women's Strike for Peace, and members of the New Left. At Princeton, Tom Hayden was so embarrassed to be appearing on the same side as a Young Republican that he successfully avoided speaking to me for an entire weekend. It was very clear that although we all had a political alliance on this specific issue, the alliance did *not* imply, as Miss Efron puts it, "that the critics share one's values, one's view of the social good, and are moving towards the same political goals."

Miss Efron might respond that working against the draft was socially respectable, to which I can only reply that it would not have been so without the widespread opposition to the war in Vietnam, largely organized by what she calls "the Left." We could not have ended the draft during World War II, and those who opposed it then were ostracized and powerless. I did not oppose the war in Vietnam at the time, but if we had kept silent on the draft because those who were against it also criticized the war effort, the draft might never have been ended. More, since I know that the efforts of our Committee for the Abolition of the Draft came to the attention of those who later advised President Nixon, it might be said that the presence of libertarian constitutional republicans (and Republicans) in the anti-draft movement helped keep that movement respectable in the eyes of a Republican president who had the power to end it.

The Left is good at picking issues. If we want to accomplish any changes, libertarians must be willing to work on single issues with people that they do not fully agree with. I hope to see libertarians at the forefront of *every* counter-culture crusade that involves individual rights, as well as at the forefront of every call for economic freedom.

David J. Dawson
Stockbridge, MA

Fellow Travellers

I'm a little puzzled by Edith Efron's fears of the libertarian movement being publicly besmirched by a "grotesque libertarian-leftist alliance." For the same issue of REASON includes the following articles: an interview with William Simon, who endorses the GOP; attacks on zoning and national health insurance; support for large farms; and a memoir by a founder of *Human Events*—in short, just the stuff to incite the revolutionary fervor of dangerous leftists like, say, Bill "Che" Buckley and Ron "Mao" Reagan.

Even though I might be categorized as a "slightly to the left" libertarian, REASON's rightwing emphasis bothers me not in the slightest. Why not? Because I'm aware of a tactical principle that Ms. Efron has evidently forgotten in the last few months. As the November Efron put it so eloquently, "A libertarian must... look for fellow travelers.... People who are walking in the direction of liberty should be joined. One should not repudiate fellow travelers because of philosophical similarities.... (L)ibertarianism isn't... a bible; it isn't a spiritual state; it isn't a chastity belt. It is a *compass.*" (Viewpoint: "Secular Fundamentalism," November 1977.)

As I see it, the great practical advantage libertarianism has over other ideologies is the attraction its central principle holds for everyone, left and right: "Everyone should be free to run his own life." This freedom includes taking dope, contemplating pornography, and living as a tribal termite collectivist, as well as building skyscrapers and Rearden-metal rails. Thus no cultural outlook need be aprioristically drummed out of the libertarian movement; both left-oriented journals such as *Libertarian Review* and *Inquiry* as well as the right-oriented REASON are valid tools for attracting fellow travelers and building a vital, broad-based movement.

One final comment: the February Efron calls for a reopening of the hoary anarchy-limited State debate preparatory to a purge of the anarchists. As Michael Emerling reminds us, the reason the debate was discontinued in the first place was that the anarchists won! If Ms. Efron would like, I am sure any number of anarchists are willing to refresh her memory on that point.

Aaron Leonard
Tucson, AZ

Libertarian Publications

Edith Efron's February "Viewpoint" shook me up to say the least. I agree with most of what she wrote, but I don't plan on canceling my subscriptions to *Libertarian Review* and *Inquiry* because she has proscribed them. If the latter doesn't stop being cute and dishonest, I won't renew my subscription next fall, but not out of a desire to do it in. It's just that its dishonesty negates its intellectual value.

I don't know what will happen to *LR*. I

hope it survives. Hopefully we will end up with more than one major libertarian publication. I don't care too much for Murray Rothbard, but he's feisty and does stir things up. If it weren't for the likes of him and the assault on Miss Efron's sensibilities by these new publications, it is doubtful that she would have written her valuable column, and to me *that's* what's important in this situation. The anarchists have been with us for years, but only now does she sound the tocsin.

Edith Efron has continually displayed a rare and courageous intelligence and I hope to see much more of her work in REASON.

Brant Gaede
Park Ridge, NJ

Libertarian Magazines

I suppose it had to happen sooner or later. Nonetheless, I think Ms. Efron is somewhat premature in her vilification of *Libertarian Review* and *Inquiry.*

One would have hoped that she would have at least waited until that latter magazine had appeared before reading it out of the movement. The first five of its issues that I have received have not had anything as distasteful as, say, an interview with Bill Simon in which he tells us that government policy on gold has nothing to do with inflation or that "obviously" government has a responsibility to help those people who cannot help themselves.

Nor, for that matter, have I seen since the old *New Individualist Review* a better single issue of a libertarian publication than the October 1977 issue of *Libertarian Review.*

Of course, the difference is this: While REASON is telling us that non-zoning is great in Houston (at least as long as strict building codes are maintained), Childs is exhorting us to throw the tea into the harbor. I can stand both, but I can not help feeling that some self-styled libertarians would be happier with Reagan's Citizens for the Republic.

Jule R. Herbert, Jr.
Tuscaloosa, AL

Need for Debate

I should like to congratulate Miss Edith Efron and REASON on her perceptive and disturbing "Warning to Constitutional Republicans." Knowing a couple of the people associated with *Inquiry* and having recently subscibed to that journal and *Libertarian Review*, I had tended to suppress the worries that kept creeping into my mind about seeking an opening to the New Left; yet Miss Efron is right: those worries should be aired and debated.

Leland B. Yeager
Professor of Economics
University of Virginia

Unprofessional Journalism

Columnist Edith Efron's outpouring of invective was a rather disappointing show. For someone who prides herself on being a journalist, it was a very poor and shoddy display of professional ethics to lash out at a magazine (*Inquiry*) she had never seen, much less read. In place of reasoned analysis, we are treated by Ms. Efron to a lengthy distortion of facts, unsupported innuendoes and a knee-jerk reaction to matters she failed to investigate with any of the vigor befitting a journalist.

To begin with, Ms. Efron confuses "movement magazines" like REASON and *Libertarian Review* with *Inquiry. Inquiry* seems to be a magazine of analysis, news, and commentary of interest to libertarians. It does not purport to be a *libertarian* magazine, though libertarians are

Are You Seeking at Least 50% Annual Increase for Your Risk Capital Investment?

If you can afford a minimum investment of $10,000, you'll want to know about the REVMAC SYSTEM™ portfolio approach to as many as 25 commodity futures markets.

REVMAC is a personalized, professional management program which has been thoroughly tested and constantly refined. It combines REVersals, Moving Averages and Computer discipline in guiding trading decisions.

Here is a way to seek unlimited profits while avoiding margin calls, forced liquidations, and unlimited loses. Since 1973, the REVMAC SYSTEM has averaged 74% annual increase. During the last quarter of 1977, equity increased 27% after brokerage, management and profit incentive fees.

We can't guarantee your investment will have the same results in the future, but we can guarantee your risk will never exceed your original equity, and probably only 50% of it. Send for our free brochure and recent position reports.

COMMODITY INVESTMENT COUNSELORS
1622 Wadham Court, Wheaton, IL 60187

Name_____
Address_____
City_____ State____ Zip____
Phone_____ Call: AM____ PM____

Registered with Commodity Futures Trading Commision as advisor and pool operator. R5

BECOME WELL-INFORMED ON GOLD

Understanding gold will become more and more important in coming months. Do you have necessary and current knowledge to make intelligent decisions that could mean survival in the future? AMERICAN GOLD NEWS is the only publication dedicated totally to reporting on gold. In fact, we have been reporting on gold, silver, and uranium for over forty-five years.

Readers gain knowledge of gold related national and international news that may affect the mining industry, the dollar, present investments, and future survival. We cover known and unknown companies, run a column on South African gold, and feature an exclusive "INVESTOR'S PERSPECTIVE" which is like a home study course for pro and neophyte. There are quarterly reports, hard-to-find stocks, excerpts from leading newsletters, articles on coins, hard hitting editorials, and much more.

With this ad only, ask for free copy of "EVERYTHING YOU WANTED TO KNOW ABOUT GOLD AND OTHER PRECIOUS METALS" a $5 value.

Send $10 for 12 monthly issues or charge to Master Charge or Bank Americard numbers.

AMERICAN GOLD NEWS
P.O. Box 457, Dept. D, Ione CA 95640,
or call toll free (800) 824-7866.
In California: (800) 852-7757, ask for operator #84-D.

involved with it in various ways. Rather, it seems that it has the potential to be one of America's finest forums for investigative journalism, maintaining a probing and iconoclastic view of government machinations. But then, Ms. Efron would not know this, even though several issues had come out before her attack was sent to REASON. Had she bothered to read them, she would have found some truly searching and revealing analyses of Soviet and American psychiatry, the bankruptcy of gun control, the Panama Canal Controversy, the need to de-regulate the professions, and the like. Ms. Efron was right in maintaining that *Inquiry* is far from "reverent" about the CIA, FBI, IRS, Pentagon, et al, but for reasons which should be obvious to anyone who reads the newspapers. As a journalist, Ms. Efron should understand better how a magazine works. To list someone on a brochure as a writer does not imply that he exercises editorial control. Ms. Efron's partially inaccurate and unfair blasts at Marcus Raskin seem to have little relevance to what I have seen of *Inquiry* so far.

With respect to *Libertarian Review*, it is true that it has run articles on women's liberation, drug and sex laws, and the like (in addition to other topics), but what's wrong with that? REASON is not attacked for doing so. And, I must add, *LR*'s articles have always pointed out the uniquely free market libertarian alternative, though Ms. Efron's column leaves her position on these issues unclear. I doubt that her position on alcohol prohibition would have been equally ambiguous during the 20's and 30's. But of course, that is a middle class vice and one that Ms. Efron is probably more tolerant of. *LR*'s articles on government and business have always focused on government power as the problem, not on business *per se.* However, it is hardly socialist to claim that many businessmen approach government for special favors and subsidies. Has Ms. Efron never read Adam Smith and the classical liberals whose praise she rightly sings in her column?

Ms. Efron should stick to *TV Guide*, where her articles are often informative, entertaining, and accurate.

Tom G. Palmer
Annapolis, Maryland

Personal Attacks

I was greatly disturbed to read Edith Efron's article. My disturbance came not from the fact that I disagree with some important points she makes, but rather from the *way* she wrote the article.

Efron's reasoning errors were easy to take compared to her tone, the name calling, inaccuracies, misrepresentations, unbacked assertions, discussions of other people's discriminatory faculties, motivations and emotions, and her narrowly biased view of what a libertarian is.

Is this serious scholarship, worthy of the pages of REASON? I think not.

By all means do publish articles putting forth Efron's position, but please choose pieces where the author makes an attempt to stick to the cognitive content of the issues.

The Objectivists, I'm convinced, were never taken seriously by most intellectuals because they attacked and condemned people who disagreed with them instead of attempting a genuine dialogue. Let's not, as libertarians, repeat this mistake.

Ann Kotell
Editor
Massachusetts Liberty

Naive or Malicious?

I cast my vote with Edith Efron; I agree that *Libertarian Review* is so anti-American and anti-defense that it's pretty difficult for me to believe that they're committed to the long-term survival of liberty. They're either downright naive, or terribly malicious.

Robert Sheaffer
Silver Spring, MD

Libertarian Aristotle

One can only admire the force with which Edith Efron wields the polemic sword, but her aim is so misdirected that she, rather than her target, is made to look pathetic.

Efron's article is basically an attack on Murray Rothbard's influence in the libertarian movement, an influence she depicts as a degeneration of libertarianism into a "hippie movement." For some mysterious reason, the bearers of light and truth—the "reverent revolutionaries" who are still "traumatized" by the Objectivist split—have abandoned the intellectual arena to the forces of Satan and Rothbard.

In fact, the reverent revolutionaries—who still yearn for the good old days, when one or two moral denunciations would save one the trouble of ascertaining the facts—have not abandoned the arena; they have been driven out by a superior force of theory and scholarship. Rothbard is influential because he has brought remarkable integrative powers to bear on libertarian theory. In this sense he is the libertarian Aristotle, who has stressed the need for a well-integrated theory combined with painstaking empirical re-

comment of the month

The letter below, by subscriber David Walter, appeared in the Jan. 26, 1978 issue of the *Philadelphia Enquirer.*

Humphrey and Liberty

The eulogies for the late Hubert Humphrey would lead one to believe that anyone opposed to his policies was in league with the devil. May I have the temerity to suggest that American liberty and progress would have greatly benefitted if Mr. Humphrey had kept to running his drugstore in Minnesota.

Nothwithstanding his welcome defense of free speech, assembly and press, on balance the Senator's career was one of total disregard for individual rights. His support of imperialistic adventures in Vietnam was bad enough. His domestic policies were worse: he treated Americans as if he were their lord and they were peasants to be looted for his crusades. His supposed love of the poor was not supported by charity but by expropriation. For 30 years he was a leader of the contemptible movement to turn all Americans into federal serfs. He showed his lack of regard for the worth, industry and intelligence of his fellow citizens by encouraging Congress to put more people on the debilitating dole, enact more anti-entrepreneurial legislation, and cause more people to look to Washington instead of themselves for answers to problems.

Humphrey could never be typecast as "Big Brother." But his ideas find their home in a totalitarian "1984" society. That he was so widely loved bodes ill for the resurrection of a free America.

David Walter
Warminster, PA

REASON subscribers are encouraged to write letters to the editor of their favorite newspaper, magazine, or journal, and to submit replies to TV and radio editorials, presenting libertarian views on topics of current interest. Each month the editors of REASON select the most notable published letter or broadcasted reply for republication in this space, and honor the writer by a six-month extension of his or her REASON subscription. Send copies of your published letters or broadcasted replies to Reason Comment of the Month, Box 40105, Santa Barbara, CA 93103.

search. Rothard and those around him have set a high standard for future generations of libertarian scholars; and they have warned against the crude fallacy of rejecting solid research merely because it may emanate from an "anti-anti-Communist." As for the suggestion that Rothbard wages a hate campaign with no regard for the positive aspects of the American heritage, one need only glance at his magisterial *Conceived in Liberty* to see the utter ridiculousness of such a claim.

As one who "grew up," intellectually speaking, in the Objectivist movement, I still retain high regard for what I understand to be the basic precepts of Ayn Rand's approach—i.e., unswerving dedication to facts and to reason. Insofar as I agree with Rothbard, I do so because he offers a persuasive defense of his views. But, agree with him or not, even a modicum of respect for fairness must lead one to the conclusion that we are here dealing with a mind of the highest caliber. Efron's treatment of Rothbard and his influence does not speak well for her analytic powers.

George H. Smith
Los Angeles, CA

Take-Over Dangers

Thank you, Edith Efron, for risking vilification for publicly naming the truth. You accuse Rothbard and associates of not being open with us about their cooperation with the New Left, whom they intend to take over. But their present power to offer the name of the whole libertarian movement in trade for leftist friendship is the result of an already successful takeover by means of the same tactics.

Fundamental to the New Left is opposition to private property, capitalism, and rights for "reactionaries." Their hatred of the US government is derived from that. Fundamental to libertarianism is the implementation of individual rights in property rights. The question whether it is anarchist opposition to all governments or the advocacy of voluntarist government that is consistent with liberty is a derivative issue. How is the Rothbard anarchist to win the cooperation of the New Left intellectuals and activists? By negotiating on grounds of shared interests: attacking the US government. If he counts on taking the leftist's eyes off their fundamentals, he must not call attention to his own. That is why his success precludes ever persuading the New Left to libertarianism, and why their shared success can only be the destruction of the US government. But since the leftists are not trying to win libertarian favor, they will not be backward about their principles and will insist on writing policy to govern any such successes. Remember Lenin and his anarchists—and their deaths?

My article "On Proper Government" (published in *Option* magazine) is one evidence that not all of us were demotivated by the Rand-Branden split and gave up analysis of issues such as the government-anarchist dispute. In it, I show that fundamental to voluntarist government theory is the mutual consent of all the governed, while fundamental to Rothbard's defense agency society is each person's contracting with an agency whose every act of force is on third parties who never consented to its form of justice nor jurisdiction over them. (The replies of Roy

(*Continued on p. 72.*)

Run the USA on chicken manure?

Do you believe an industrial giant can be run on sunbeams, summer breezes, fumaroles and chicken manure? Or that the answer to the world's ills is the de-industrialization of America?

If so, our newsletter is not for you; your mind will be changed in the early 1980's, when the electric power begins to run out.

But if you are interested in the latest scientific and technological developments in the energy field, and in the economic and ideological background of energy issues, then we invite you to subscribe to

ACCESS TO ENERGY

A pro-science, pro-technology, pro-free enterprise monthly newsletter

Access to Energy is edited and published by Dr Petr Beckmann, professor of electrical engineering at the University of Colorado, independently of the University or any other institution.

Access to Energy is fiercely independent and beholden to nobody. It accepts no advertising, subsidies, contributions, grants or dips into taxpayers' money. Its only income are subscription fees:

YOU ARE THE ONE who will not renew if it isn't good enough!

Access to Energy has been published every month since September 1973, when (6 weeks before the Arab embargo) it offered bumperstickers *Make America an Arab Sheikdom! Join the Sierra Club.* Since then, it has become an influential journal, widely quoted, widely read and, yes, widely resented, too.

Access to Energy does not aim to please *everybody*; if you believe in feudal energy sources, you will be much happier reading Ralph Nader's harangues or Amory Lovins' fantasies. But if you wish to improve your knowledge and powers of decision making, *Access to Energy* may be for you:

It only costs $9 to give it a try for one year.

If Pulitzer prizes were given on an unbiased basis to outspoken and authoritative journals, one would certainly be given to ACCESS TO ENERGY. This newsletter is an incisively written tell-it-as-it-is journal that is fast developing a nationwide following.
A. Harrigan in synd. column *Sensing the News*

ACCESS TO ENERGY is the best single concise source of up-to-the-minute facts — facts to confound the anti-science, anti-technology, anti-free enterprise demagogy of the eco-freak doom-criers. More than that, it is fun to read!
LIBERTARIAN REVIEW

ACCESS TO ENERGY is a ray of sunshine amidst the gloomy news. I look forward to every issue. D.O.H., St. Paul, Minn.

Renew our subscription for ten (10) years. Should anything happen to prevent you from publishing ACCESS TO ENERGY prior to 1985, you owe us no refunds, as we have already received our money's worth many, many times over. C.H., Lafayette, La.

The peppery, often acidly humorous Access to Energy *blends science and technology with political reality... Beckmann cuts through ecology cant and propaganda with style as well as substance.* CONSERVATIVE DIGEST

A witty and profoundly informative newsletter. COMMENTARY

Issue after issue, [the editor] cuts through the simplified thinking of the mass media. Technologically informed, he consistently explains the technical aspects into understandable English. Cultural Watchdog Newsletter

Can't wait to read it every month. Thanks for the bright spot! E.B., Beaverton, Ore.

I like your forthright style — coming out of the corner with fists flying, without this "yes, yes, but maybe" stuff. Keep swinging!
J.B.C., Beaumont, Tex.

"The Great Plutonium Scare" and "The Health Hazards of NOT Going Nuclear" have changed my mind. Please enter my subscription for the newsletter. Mrs.V.A., Sheb.,Wisc.

How come we offer for $9 what others sell for $50 up?

Because we are good enough to have the volume:
Our circulation exceeds 2,500 copies, many of them read by *hundreds* of readers!

To: **Access to Energy**
Box 2298-ER, Boulder, Colo. 80306

Enter my subscription at $9 per year (12 monthly issues) beginning with the current month. My check is enclosed.

Send to:

brickbats

☐ **I'd like to say something** about Mr. Bernard-Henri Levy's article on terrorism ("The War Against All," *The New Republic,* February 11) but he already said it all by listing it under the subheading: "Every man his own State."

☐ **Disaster movies?** May is a disaster month. It was on May 3, 1802, for example, that Washington, DC was incorporated. The Lusitania sank on May 7, 1915, the Tennessee Valley Authority boondoggle was established on May 18, 1933, and Congress limited immigration to the land of the Anglo and the home of the Saxon on May 19, 1921. The first American land fraud was committed on May 24, 1626, when Peter Minuit was duped into buying Manhattan Island from the Canarsie Indians of New Jersey, and perhaps the greatest disaster of all was the US Constitutional Convention, which opened on May 25, 1787. (Patrick Henry also thought the Constitution was a disaster.) On the plus side; sometime in May (I forget exactly when; it used to be May 1) the average American stops working for the tax collectors and starts working for himself—the real Independence Day. And of course, REASON's Tenth Anniversary.

☐ **Forced to kill by the government!** Kill caterpillars, that is. Airborne caterpillar hairs and skin fragments have caused an epidemic of skin rashes in Brussels. So the city fathers passed a law requiring city residents to destroy caterpillars, their eggs and their nests. According to the Associated Press, "showing mercy to a caterpillar can result in a fine or up to a week in jail."

☐ **Religious Freedom Dept.:** Argentina has just arrested 15 Jehovah's Witnesses for practicing their religion, which was banned in 1976.... It is now a crime, in "brave little Israel," to offer anyone a "material inducement" to change his religion. If you find that vague you've got Israel's Christians for company.... The *National Lampoon* has dropped its annual Religion Issue in response to pressure from groups such as Citizens Against Sacrilege in Media, who objected to "Son O'God Comics" and the like. Also, the magazine had sizable legal expenses from fighting blasphemy indictments in Massachusets and New Jersey. The combination of Bible-thumpers and statists was too much, so "at the *National Lampoon,*" as a NatLamp editorial put it, "God remains a sacred cow."

☐ **Praising with faint damns:** "Concludes a British diplomat in Tel Aviv: 'I would say that the Israeli security police don't behave any worse than our own do in Northern Ireland.'" (*Newsweek,* February 20).... "There were recently the dispatches of the wire services from Philadelphia, relating the unholy experiences in Belfast of a 17-year-old American, Pearse Kerr, who was arrested without any charges, tortured, his broken wrist handcuffed behind his back, forced to sign a false confession, and left to rot for months in a Belfast gaol until the Philly papers started making embarassing parallels between British justice and a fellow named Franz Kafka." (Warren Hinckle, columnist for the *San Francisco Chronicle,* February 14.)

☐ **The Treasury plans to issue** a new, one dollar cupronickel token coin, and some Treasury officials want a token woman on it. Many US coins featured anonymous women as personifications of "Liberty" or "Columbia," and one proposal would put an image of "Woman" on the new coin—with aviator style glasses, perhaps. Others call for Helen Keller (symbolic of our rulers, no doubt; deaf, dumb and blind to prudence), or Nellie Ross, the nation's first woman governor (1920's in Wyoming, you know. Oh, you didn't?) Nominations are still open if REASON's readers would like to suggest their candidate for Ms. Fiat Money. One requirement: she must be dead.

☐ **Tropical Paradise Dept.:** Marijuana is now the largest cash crop in Hawaii; the 1977 harvest was worth an estimated $360 to $400 million, compared to the $242 million sugar crop. With up to 100 inches of rain a year, marijuana plants routinely grow 10 feet high—and sometimes over 13 feet—in Hawaii's volcanic soil. The Hawaiian crop is also exceptionally potent; which is why some varieties, such as the renowned Kona Gold, command prices of from $2000 to $3000 a pound on the West Coast, and upwards of $3500 in New York. Some enlightened legislators suggest that legalizing the dope trade would be the economic salvation of the Aloha State; indeed, State Representative Ambercrombie calls marijuana "the only major unsubsidized crop in Hawaii.... It just goes to show how free enterprise can compete with a subsidized crop like sugar."

☐ **Voices of Moderation:** *Village Voice* columnist Alexander Cockburn greets the NAACP's new free-marketish energy policy by saying, "The largest black organization in the country has placed itself beneath the boot of the most merciless defenders of corporate privilege both in the United States and abroad."

☐ **Back in 1975,** *Counterspy* magazine revealed that one Richard Welch was the CIA station chief in Lima, Peru. The CIA objected to the revelation, but left Welch in place, blown cover and all. Sometime later Welch became station chief for Athens, and moved into the house his predecessor had used. CIA headquarters in Langley, Virginia, sent him a telegram warning that 1) just about everybody in Athens knew the house was the CIA chief's and 2) anti-American and anti-CIA sentiment in the city ran so high that Welch "risked assassination if he remained in the house." Remain he did, however, and Richard Welch was assassinated on December 24, 1975. CIA official Angus Thuermer then called up several Washington reporters to tell them *Counterspy* had exposed Welch and now he was dead—but Thuermer did not mention the warning telegram. And to make sure everyone got the point, reporters were provided with "a US Intelligence source" to quote as saying "We've had an American gunned down by other Americans fingering him as a CIA spy." CIA critic Morton Halperin revealed all this when he testified before Congress (see the February *More,* for more) and summed it up as "a deliberate CIA manipulation of the American press," which is a polite way of putting it. REASON was one of those manipulated: Edith Efron regurgitated the *Counterspy* myth whole in February, 1978, the better to revile (sight unseen) *Inquiry* magazine.

☐ **Our Doublespeak Award** goes to Judge Donald T. Barbeau of Minnesota, who rejected Mr. Michael Dengler's petition to name (number?) himself "1069" on the grounds it was "an offense to basic human dignity and inherently totalitarian."

Bill Birmingham

"The reason a lot of people do not recognize opportunity is because it usually goes around wearing overalls looking like hard work."

—Thomas A. Edison

trends

New TV Freedom

Two recent developments promise greater diversity in television programming in coming years. One is the growth of over-the-air pay TV, also known as subscription television. More than 35 applications for this type of service are pending before the Federal Communications Commission. Service has already been approved for San Francisco, Denver, Detroit, Milwaukee, Cincinnati, Boston, and Philadelphia, and stations are on the air in Newark, New Jersey and Corona, California. Like pay-cable, over-the-air pay TV offers feature-length films, live sports events, and other premium fare, all shown without commercials. Subscribers rent an unscrambling device to receive the coded signals over the air.

Because of the growing demand for subscription TV, the FCC has asked for comments on relaxing its present regulations. Currently, it will allow only one such station in each community, and then only if there are already at least four conventional stations serving the area. The Commission is considering dropping the monopoly rule and possibly altering the four-station rule.

Heretofore, the principal form of pay TV has been provided by cable services, which offer both conventional and premium programming. The growth of cable TV has been severely restricted by FCC regulations, among which was the requirement that cable operators set aside channels for access by others—one each for public access, educational access, local government access, and leased access. At least one was to be supplied without charge, and the education and local government channels were to be without charge for the first five years. Cable operators were not permitted to have control over program content on these channels.

These arbitrary restrictions have now been overturned by the federal court of appeals in St. Louis. The landmark decision, by Judge Howard T. Markey, supported the contention of Midwest Video Corporation that the regulations were beyond the FCC's jurisdiction, violated the free speech clause of the First Amendment, and constituted a taking of private property without due process of law and just compensation.

In his 81-page opinion, Judge Markey found that the Communications Act of 1934 does *not* give the FCC any specific authority over cable systems, nor are such regulations "reasonably ancillary" to the FCC's statutory responsibility to regulate broadcast television. (The FCC was set up, ostensibly, to regulate use of the electromagnetic spectrum—the "airwaves"—by allocating frequency bands to different users on a noninterfering basis. Cable TV does not utilize the airwaves at all.) The judge noted that the FCC's rationale for its cable access regulations was "laudable, praiseworthy, and desirable..." but "the question before us isn't the sincerity of the Commission or the glorious nature of its intentions. The sole question is whether compelling cable systems to build and dedicate facilities to essentially free public uses was within the Commission's jurisdiction."

More fundamentally, Markey pointed out that "governmental interference with the editorial process raises a serious First Amendment issue." The access regulations "strip from cable operators, on four of their channels, all rights of material selection, editorial judgment, and discretion enjoyed by other private communications media and even by the 'semipublic' broadcast media."

Judge Markey's ruling cuts the ground out from under the whole rationale for FCC regulation of cable TV. It is not yet clear whether it will be interpreted narrowly, to throw out only the access rules, or more broadly, to deregulate cable altogether. Even if interpreted narrowly, the ruling is an important victory for property rights and freedom of the press.

SOURCES:
- "Limit of One Over-the-Air Pay-TV Station May Be Boosted," *Wall Street Journal*, Dec. 22, 1977.
- "FCC Dealt Loss on Cable TV Access Channels," *Ibid.*, Feb. 27, 1978.

Postal Progress

As the costs of postal service continue to rise, more and more users are switching to alternative forms of delivery. In the magazine field, the leader is *Reader's Digest*, which has delivered over three million copies outside the postal system since 1974. Most recently it has contracted with the Sweeny News Service to deliver its issues in seven zip code areas in the Boston region. In February the *Digest* was among the participants in a New York symposium called "Alternative Delivery Reaches the Crossover Point," sponsored by the Magazine Publishers Association. It brought together representatives of major publishers and leading private delivery firms. According to the MPA, private delivery (where available) now costs less than postal rates for some publications.

Meanwhile, entrepreneur Patricia Brennan, who has been challenging the government's first class mail monopoly (REASON, Spotlight, December 1977) has been found guilty of violating the private express statutes. The Federal District Court in Rochester, New York has issued her firm a cease and desist order. Brennan, however, plans to appeal. "It's not the end of the ball game," she said. "It's just the end of the first inning." [Those wishing to contribute to the Brennan defense funds should send a check to Harris, Beach, Wilcox, Ruben and Levey, Cross Roads Building, Two State Street, Rochester, NY 14614—Ed.]

Although the federal judge in the Brennan case thinks that maintaining the government monopoly is essential, the Council on Wage and Price Stability strongly disagrees. In a filing last year with the Postal Rate Commission, the Council stated:

> Permitting competition to the Postal Service's first-class service probably would result in significant benefits to the economy and to the mail user. Under a regime of competition, rates would likely differ significantly from the now mandatory uniform first-class rate, recognizing different segments of first-class mail. Thus, competition could lead to greater economic efficiency, and provide better signals to guide the flow of resources into each kind of service provided. Moreover, competition might well lead to greater postal efficiency, higher productivity. Such competition could also induce innovation and technological change in the provision of postal services, resulting in better services and lower costs.

SOURCES:
- "RD Expands Alternate Delivery," *Media Industry Newsletter*, Jan. 16, 1978, p. 3.
- "Liberate the Post Office!" *Battle Line*, March 1978, p. 25.

Private Forecasters Beat Winter

February's severe blizzards in the Northeast taught many companies a harsh lesson about relying on the government's weather forecasts: *don't*. The storm that hit on Sunday night, February 5th, cost firms up to several million dollars each, in lost sales and employee time. But some, like Wakefern Food Corporation, a major food distributor, had plenty of warning. Wakefern completed 90 percent of its normal Monday night deliveries on Sunday, before the storm hit. It had received a detailed advance forecast of the

blizzard from National Weather Corporation, of Newark, New Jersey.

National Weather is one of several hundred private weather services (see REASON, Trends, April 1977 and September 1977). They are growing by leaps and bounds as more and more firms in diverse industries realize the dollar value of having accurate, timely weather forecasts. But the government's National Weather Service just can't seem to do the job. Although it generates large amounts of data (which forms the majority of the data used by private forecasters), the NWS doesn't have the personnel or the analytical capabilities to do the kind of detailed work companies need.

Among the users of private weather services are the following:

- *Shipping lines*—450 different steamship companies pay $375 apiece for custom-designed sea routes from Oceanroutes, Inc. of Palo Alto, California. About 65 percent of the company's $5 million annual income is derived from shipping lines. Most of the rest comes from major oil companies, which pay $20,000 a month for custom forecasts of weather in the vicinity of their drilling rigs.
- *Agribusiness*—dealers in agricultural commodities pay up to $200,000 for crop forecasts from firms such as Earth Satellite Corporation. Giant Cargill now employs its own meteorologists.
- *Mining companies*—Reserve Mining Company buys custom forecasts for the area around its taconite mines from Murray & Trettel, Inc. of Chicago. It schedules blasting operations for times when the weather will not reinforce the shockwaves (which causes damage far from the mines).
- *Sports-related firms*—WBAL-TV in Baltimore pays $700 a month to AccuWeather, Inc. for custom forecasts, especially so it can predict conditions at Colts and Orioles games for fans. A bakery subscribes to the Travelers Weather Service to decide the quantitites of hotdog and hamburger rolls to produce for each weekend.
- *Merchandisers*—Sears, Roebuck & Co. has hired its own meteorologists in order to forecast expected demands for seasonal products like air conditioners and snow tires. Their short-range forecasts help stores stock up on umbrellas prior to rainy weather.

Very tangible economic needs for weather information exist. And the market is meeting those needs. If the NWS were not supplying much of the basic data, those same economic needs would still exist, and we can be sure that one or more firms would emerge as weather data *wholesalers*, to supply the hundreds of *retail* weather data suppliers already in existence.

SOURCE:

- "Perverse Weather: the Boom in Private Forecasting," *Business Week*, Feb. 27, 1978.

Insuring Competition

Thirty years of state regulation of the insurance industry have generally failed to provide low-cost, readily available insurance. Instead, rigid state regulations have discouraged rate reductions, contributed to instability in insurance company operations, and made insurance unavailable to people considered high risks. So concluded a special Justice Department task force during the closing days of the Ford administration.

But there is an alternative. Over the last 10 years, notes the task force report, a number of states have adopted an "open competition" system of rate regulations, to replace conventional regulation. Comparison of states that allow market forces to predominate and those that set rates by regulation leads to following conclusion: "...unrestricted price competition is superior to rigid rate regulation as a way of achieving reasonable prices, a reliable insurance mechanism, and economically fair prices which are based on accurate assessment of the risk presented."

But how to get rid of restrictive state regulations? Here the report waffles, suggesting that the federal government set up a "more flexible national system of regulation" which insurers could choose instead of state regulation. Companies opting for a federal charter would lose their present antitrust exemption, but would also be exempt from state regulations in such areas as rates, solvency, collective merchandising, and direct writing of insurance. Rates would be set by free competition. In addition, the proposed federal system of solvency regulation would emphasize the swift removal of failing companies from the marketplace. By contrast, present state regulation has emphasized "keeping every insurer afloat."

SOURCE:

- Federal-State Regulation of the Pricing and Marketing of Insurance, Paul W. MacAvoy, editor, American Enterprise Institute, May 1977.

Self-Medication Victories

Three more victories have occurred in support of an individual's right to make his own medical decisions. In California a Sacramento health food store proprietor has been cleared of a charge of practicing medicine without a license. Ms. Georgana Elliott had given advice to a customer who asked for help on his diet. She recommended food supplements containing minerals, without claiming they would cure any disease. The customer turned out to be an undercover agent for the state Health Department. Ms. Elliott was arrested under a provision of the Business and Professions Code which prohibits anyone not licensed as a physician from "practicing a system or mode of treating the sick and afflicted...." Municipal Judge Edward Garcia dismissed the case "in the interest of justice," after widespread newspaper publicity. And state Senator William Campbell plans to introduce legislation to exempt nutrition counseling from the law's restrictions.

In New Mexico a new law permits cancer and glaucoma patients to use marijuana under medical supervision. The drug has been found to ease nausea caused by cancer chemotherapy and is effective in counteracting glaucoma. Up to 500 people may be eligible under the terms of the law.

Finally, New Jersey became the 14th state to legalize the sale of Laetrile. The new law also allows manufacture of the substance, like some but not all of the 13 other decriminalization measures. Although several large pharmaceutical firms promptly announced that they would not manufacture Laetrile, smaller firms are almost certain to do so. The only limitation may be obtaining sufficient quantities of apricot pits. The Food and Drug Administration is rumored to be looking into a ban on interstate shipment of apricots, most of which are grown in California (where Laetrile remains illegal).

SOURCES:

- "Standing Up to Health Department Paid Off," *NHF Newsletter*, March 1978.
- "Cancer Victims May Be Given Pot," *Los Angeles Times*, Feb. 13, 1978.
- "Laetrile Legalized," AP (Trenton), Jan. 12, 1978.

FTC Backs Competition

The Federal Trade Commission continues its ongoing campaign against anticompetitive standards and practices in the professions. Principal targets include bans on advertising, restrictions on types of services offered, and strict licensing requirements. Most of the challenged practices are enforced by state law.

In the legal profession, although the ban on advertising has been overturned by the Supreme Court, other restrictive practices continue. In January the FTC announced a new investigation into bar association restrictions that inhibit lawyers from forming legal clinics or prepaid legal plans.

Another field the FTC is investigating is accounting. It is looking into state-imposed restrictions on entry to the field; codes against advertising, solicitation,

and competitive bidding; the extent to which major firms control the industry; and the way in which accounting and auditing standards are established.

The agency has also gone after restrictions on the sale and advertising of eyeglasses. Some years ago University of Rochester economist Lee Benham showed that state laws banning or restricting eyeglasses ads lead to substantially higher prices in those states (REASON, Trends, May 1973). Although a few of these laws have since been overturned in the courts or modified by legislatures, most of the modified laws impose stringent limitations on the content of eyeglass ads.

But the FTC has just changed all that. In February it issued a trade regulation that wiped out the ad bans in all 40 remaining states, and limited the content requirements. FTC staffers are investigating remaining restrictions in some states that prevent large chains like Sears from offering optical services. Over the last few years a number of these chains have entered the eyeglass market, sometimes challenging state laws in doing so. By aggressive price-cutting, backed by radio and TV advertising, their share of the market has already reached 40 percent—up from 14 percent five years ago. The FTC's new trade regulation will open the door to expansion by firms like Eckerd, Revco, and People's Drug Stores, which have pioneered price competition in optical services.

SOURCES:

- "An FTC Challenge to the Legal Profession," *Business Week*, Jan. 9, 1978, p. 23.
- "FTC Seems Near Issuing Eyeglass Rules," *Wall Street Journal*, Jan. 11, 1978.
- "Drugstores See a Boom in Eyeglasses," *Business Week*, Feb. 13, 1978, p. 116.

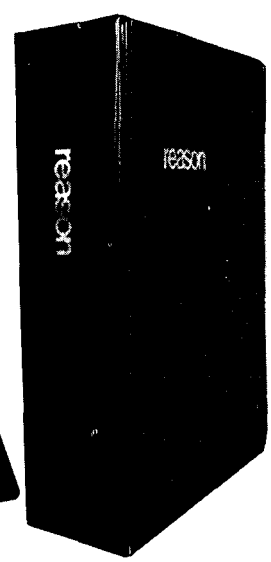
Milestones

• *No Longer Master.* A state law making the husband the "head and master" of the property and finances in a marriage has been ruled unconstitutional. Louisiana Civil Court Judge Gerald Federoff ruled that "there is utterly no justification for the State to arbitrarily grant to the husband the sole administration of property legally owned in common, and in fact as often as not actually produced by the joint earnings of husband and wife." The law dated back to the 1700's when Spain exercised sovereignty over Louisiana. (Source: AP (New Orleans), Feb. 16, 1978.)

• *Spending Limitation.* Tennessee voters have approved a constitutional amendment to limit state government spending. The measure, which was Proposition 9 on the March 7 ballot, limits the annual growth in state appropriations to the rate of growth of the state's economy. Had the amendment been in effect for the past eight years, state government spending would not have tripled, since total personal income in Tennessee has gone up only 2½ times in that period. While not providing a very stringent restraint on government growth, the Tennessee measure is at least a step in the right direction. (Source: AP (Nashville), March 8, 1978.)

• *Boycott Soviets.* A US technical society has voted to sever all contacts with the Soviet Union. And a leading Soviet dissident supports the move. Because the USSR has refused to allow a young computer scientist, Anatoly Shcharansky, to emigrate to Israel, the Association for Computing Machinery has cut off all cooperative efforts, including participation in international conferences at which the Soviets are represented. Countering fears that this might make things worse for dissidents, leading dissident Andrei Sakharov has lauded the ACM move. ACM has "hit the right nail," said the famed scientist in a recent letter. "Do not take seriously any assertion that your decision could only embitter the Soviet authorities and aggravate the situation of Soviet scientists....The Soviet authorities extremely appreciate the cooperation in science and technology; thus, there is nothing to induce them so factually and effectively as a refusal to maintain this cooperation." (Source: *Science*, Feb. 17, 1978, p. 752.)

A BEAUTIFUL NEW WAY TO KEEP YOUR REASON



Keep your copies of Reason in specially designed binders. We've got them ready and waiting for your go-ahead. Now you can keep Reason in your library. Or wherever it's handiest. And you'll have a permanent record of any article or fact — right on hand.

Mail to: Reason Circulation Services, Box 40105, Santa Barbara, CA 93103
Please send me ☐ Reason Binders $5.95 ea. ☐ 4 for $23.00
(Postage and handling included)
Orders outside U.S. add $1.00 per file for postage and handling.
Payment must accompany order. **(CA residents add 6% sales tax)**

Name _____
Address _____
City _____ State _____ Zip _____

WHICH WAY FOR CAPITALISM?

The Nobel Prize-Winning Economist Charts Two Possible Futures For American Capitalism

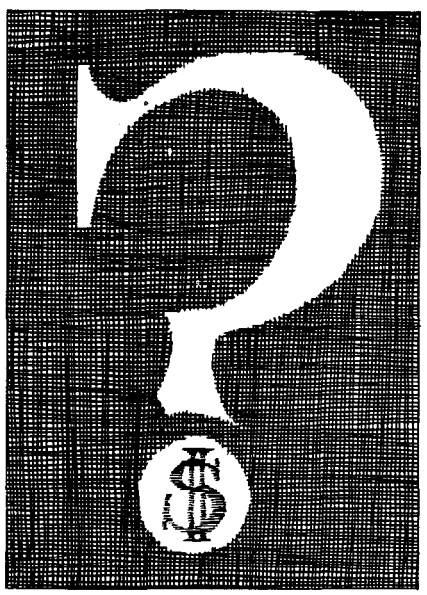
BY MILTON FRIEDMAN

WHAT IS THE FUTURE of capitalism?—by which I mean the future of competitive capitalism—free enterprise capitalism. In a certain sense, every major society is capitalist. Russia has a great deal of capital, but it is under the control of governmental officials who are supposedly acting as agents of the State. That turns capitalism (state capitalism) into a wholly different system from a system under which capital is controlled by individuals in their private capacity as owners and operators of industry. What I want to take up here is the future of private enterprise—of competitive capitalism.

The future of private enterprise capitalism is also the future of a free society. There is no possibility of having a politically free society unless the major part of its economic resources are operated under a capitalistic private enterprise system.

TOWARD COLLECTIVISM

The real question, therefore, is the future of human freedom. The question that I want to consider is whether or not we are going to complete the movement that has been going on for the past 40 or 50 years, away from a free society and toward a collectivist society. Are we going to continue down that path until we have followed Chile by losing our political freedom and coming under the thumb of an all-powerful government? Or are we going to be able to halt that trend, perhaps even



reverse it, and establish a greater degree of freedom?

One thing is clear—we cannot continue along the lines that we have been moving. In 1928, less than 50 years ago, government at all levels—federal, state, and local—spent less than 10 percent of the national income. Two-thirds of that was at the state and local level. Federal spending amounted to less than 3 percent of the national income. Today, total government spending at all levels amounts to 40 percent of the national income, and two-thirds of that is at the federal level. So federal government spending has moved in less than 50 years from 3 percent to over 25 percent—total government spending from 10 percent to 40 percent. Now, I guarantee you one thing. In the next 50 years government spending cannot move from 40 percent of the national income to 160 percent. Legislatures cannot repeal the laws of arithmetic.

In judging whether we will keep trying to continue on this path until we have lost our freedom, it's worth considering where we are and how we got there. Let me say at the outset that, with all the problems I am going to talk about, this still remains a predominantly free society. There is no great country in the world (there are some small enclaves, but no great country) that offers as much freedom to the individual as the United States does. But having said that, we ought also to recognize how far we have gone away from the ideal of freedom and the extent to which our lives are restricted by governmental enactments.

In talking about freedom, it is important to distinguish two different meanings, on the economic level, of the concept of free enterprise, for there is no term which is more misused or misunderstood. The one meaning that is often attached to free enterprise is that enterprises shall be free to do what they want. That is not the meaning that has historically been attached to free enterprise. What we really mean is the freedom of individuals to set up enterprises. It is the freedom of an individual to engage in an activity so long as he uses only voluntary methods of getting other individuals to cooperate with him.

If you want to see how far we have moved from the basic concept of free

enterprise, you can consider how free anyone is to set up an enterprise. You are not free to establish a bank or to go into the taxicab business unless you can get a certificate of convenience and necessity from the local, state, or federal authorities. You cannot become a lawyer or a physician or a plumber or a mortician (and you can name many other cases) unless you can get a license from the government to engage in that activity. You cannot go into the business of delivering the mail or providing electricity or providing telephone service unless you get a permit from the government to do so. You cannot raise funds on the capital market and get other people to lend you money unless you go through the SEC and fill out the 400 pages of forms that they require. To take the latest restriction on freedom, you cannot any longer engage in voluntary deals with others or make bets with other people on an organized exchange about the future prices of commodities unless you get the approval of the government.

RISING TAXATION

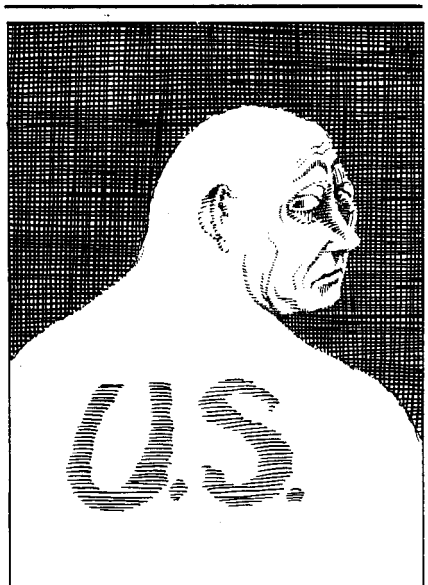
Another example of the extent to which we have moved away from a free society is the 40 percent of our earnings, on the average, which is coopted by the government. Each and every one of us works from the first of January to late in April or May, in order to pay governmental expenses, before we can start to work for our own expenses.

If you want to look at it still another way, the government owns 48 percent of every corporation in the United States. We talk about ourselves as a free enterprise society. Yet in terms of the fundamental question of who owns the means of production in the corporate sector we are 48 percent socialistic because the corporate tax is 48 percent. Once when I was in Yugoslavia some years ago I calculated that the difference in the degree of socialism in the United States and in Communist Yugoslavia was exactly 18 percentage points, because the US government took 48 percent and the Yugoslav government took 66 percent of the profits of every corporation. And of course, those numbers grossly understate the role of the government because of its effect in regulating business in areas other than taxation.

Let me give you another example of the extent to which we have lost freedom. About a year or so ago, I had a debate in Washington with that great saint of the US consumer, Ralph Nader. I posed the question of state laws requiring people who ride motorcycles to wear helmets. Now I believe that in many ways that law is the best litmus paper to distinguish true believers in individualism from people who do not believe in individualism, because the person riding the motorcycle is risking only his own life. He may be a fool to drive that motorcycle without a helmet, but part of freedom and liberty is the freedom to be a fool!

So I expressed the view that the state laws which make it compulsory for people who are riding motorcycles to wear helmets are against individual freedom and against the principles of a free society. I asked Ralph Nader for his opinion, and he gave the answer I expected. He said, "Well, that's all very well for a different society. But you must realize that today, if a motorcyclist driving down the road without a helmet splashes himself on the pavement, a government-subsidized ambulance will come to pick him up, they will take him to a government-subsidized hospital, he will be buried in a government-subsidized cemetary, and his wife and children will be supported by government-subsidized welfare. Therefore we can't let him!" What he was saying was that every single one of us bears on our back a stamp that says, "Property of the US government. Do not fold, bend, or mutilate."

The principle of "tax expenditures" is that you are, after all, the property of the US government.



That is essentially the fundamental principle that animates the Ralph Naders of our time—the people who want the power to be in government. You see it everywhere. You see it in a law passed a few years ago which requires the Treasury Department to report to the Congress a category called Tax Expenditures—taxes which are not collected from you because of various deductions permitted by the law (such as interest or excess depreciation). The principle is that you are, after all, the property of the US government. You work for the government, and the government lets you keep a little of what you earn in order to be sure that you'll keep working hard for them. But the rest of it is the property of the US government. And if the government allows you to deduct something from your taxes, it's a government expenditure. You have no right to keep it. It's theirs!

FREE SPEECH

We have gone very far indeed along the road to losing freedom. But you may say that I am talking only about economic matters, about whether you can enter a profession or an occupation. What about political freedom? What about the freedom of speech? How many businessmen have you heard in the past 10 years who have been willing to stand up on some public rostrum and take issue with governmental policies? Many a businessman gets up and expresses general sentiments in favor of free enterprise and of competition, but very few get up and criticize particular measures taken by government. And I don't blame them. They would be fools to do it! Because any businessman who has the nerve to do that has to look over one shoulder and see what the IRS is going to do to his books the next day. And he has to look over the other shoulder to see whether the Justice Department is going to launch an antitrust suit. And then he has to find two or three more shoulders to see what the FTC is going to do. You can take any other three letters of the alphabet and you have to ask what they are going to do to you. In fact, a businessman today does not have effective freedom of speech.

But you may say that businessmen don't matter. What about the intellectuals?

Suppose I take a professor from a medical school whose research and training is largely being financed by the National Institutes of Health. Do you suppose he wouldn't think three times before he gives a speech against socialized medicine? Suppose I take one of my colleagues in economics who has been supported by a grant from the National Science Foundation. I personally happen to think there is no justification for the National Science Foundation. (As it happens, I have never received a grant from them, though I might have. It isn't that they have turned me down; I haven't asked them!) But nonetheless, do you suppose my colleagues would not be inhibited in speaking out? In fact, I have often said that about the only people who have any real freedom of speech left are people who are

in the fortunate position of myself—tenured professors at major private universities on the verge of retirement!

An even more chilling story about freedom of the press comes from Britain. The *London Times* was prevented from publishing for one day by the pressmen's unions because the issue would have carried a story that was critical of the policies of the unions.

So there is no way of separating economic freedom from political freedom. The only way you can have the one is to have the other.

FREEDOM IN THE PAST

So much for the present. What about the past? The closest approach to free enterprise we have ever had in the United States was in the 19th century. Yet your children will hear over and over again in their schools and in their classes the myth that that was a terrible period when the robber barons were grinding the poor miserable people under their heels. That's a myth constructed out of whole cloth. The plain fact is that at no other time in human history has the ordinary man improved his condition and benefited his life as much as he did during that period of the 19th century when we were the closest to free enterprise.

A businessman today does not have effective freedom of speech.

Many of us, I venture to say, are beneficiaries of that period. I speak of myself. My parents came to this country in the 1890's. Like millions of others, they came with empty hands. They were able to find a place in this country, to build a life for themselves and to provide a basis on which their children and their children's children could have a better life. There is no saga in history remotely comparable to the saga of the United States during that era, welcoming millions of people from all over the world and enabling them to find a place for themselves and to improve their lives. And it was possible only because there was an essentially free society.

If the laws and regulations that today hamstring industry and commerce had been in effect in the 19th century, our standard of living today would be below that of the 19th century. It would have been impossible to have absorbed the millions of people who came to this country.

What produced the shift? Why did we move from a situation in which we had an essentially free society to a situation of increasing regimentation by government? In my opinion, the fundamental cause of most government intervention is an unholy coalition between, on the one hand, well-meaning people seeking to do good and, on the other, special interests (meaning you and me) seeking advantage from government.

The great movement toward government has not come about as a result of people with evil intentions trying to do evil. No, it has come about because of good people trying to do good. But they have tried to do good with other people's money, and doing good with other people's money has two basic flaws. In the first place, you never spend anybody else's money as carefully as you spend your own. So a large fraction of that money is inevitably wasted. In the second place, and equally important, you cannot do good with other people's money unless you first get the money away from them, so that force—sending a policeman to take the money from somebody's pocket—is fundamental to the philosophy of the welfare state. That is why the attempt by good people to do good has led to disastrous results.

It was this movement toward welfare statism that produced the phenomenon in Chile which ended with the Allende regime. It is this tendency to try to do good with other people's money that has brought Great Britain—once the greatest nation of the earth, the nation which is the source of our traditions and our values and our beliefs in a free society—to the edge of catastrophe.

When you start on the road to do good with other people's money, it is easy at first. You've got a lot of people to pay taxes and a small number of people for whom you are trying to do good. But the later stages become harder and harder. As the number of people on the receiving end grows, you end up taxing 50 percent of the people to help 50 percent of the people—or really, 100 percent of the people to distribute benefits to 100 percent!

THE FUTURE

Where do we go from here? People may say, "You can't turn the clock back. How can you go back?" But the thing that always amuses me about that argument is that the people who make it, and who accuse me or my colleagues of trying to turn the clock back to the 19th century, are themselves busily at work trying to turn it back to the 18th century.

Adam Smith, in 1776, wrote *The Wealth of Nations*. It was an attack on the government controls of his time—on mercantilism, on tariffs, on restrictions, on governmental monopoly. But those are exactly the results which the present-day reformers are seeking to achieve.

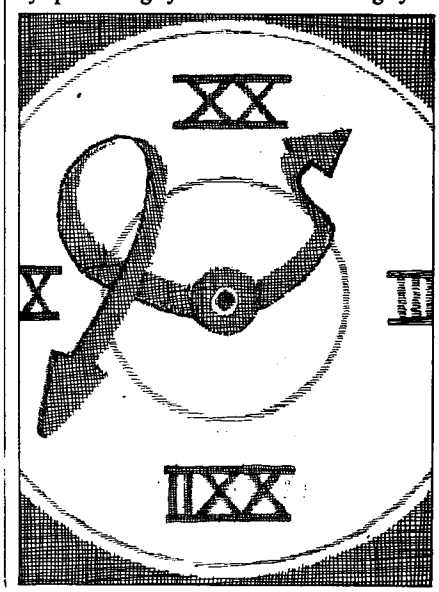
In any event, that's a foolish question. The real question is not whether you are turning the clock back or forward but whether you are doing the right thing.

Some people argue that technological changes require big government and you can no longer talk in the terms of the 19th century when the federal government only absorbed three percent of the national income.

That's nonsense from beginning to end. Some technological changes no doubt require the government to engage in activities different from those in which it engaged before. But other technological changes *reduce* the need for government. The improvements in communication and transportation have greatly reduced the possibility of local monopoly which requires government intervention to protect the consumers. Moreover, if you look at the record, the great growth of government has not been in the areas dictated by technological change. The great growth of government has been to take money from some people and to give it to others. The only way technology has entered into that is by providing the computers which make it possible to do so.

Other people will say, "How can you talk about stopping this trend? What about big business? Does it really make any difference whether automobiles are made by General Motors, which is an enormous bureaucratic enterprise employing thousands of people, or by an agency of the United States Government, which is another bureaucratic enterprise?"

The answer to that is very simple. It does make all the difference in the world, because there is a fundamental difference between the two. There is no way in which General Motors can get a dollar from you unless you agree to give it to them. They can only get money from you by providing you with something you



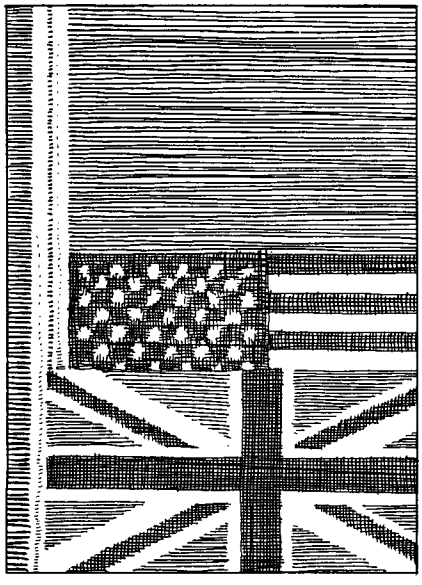
value more than the money you give them. If they try to force something on you that you don't want—ask Mr. Henry Ford what happened when they tried to introduce the Edsel.

On the other hand, the government can get money from you without your consent. They can send policemen to take it out of your pocket. General Motors doesn't have that power. And that is all the difference in the world. It is the difference between a society in which exchange is voluntary and a society in which exchange is not voluntary. It's the reason why the government, when it is in the saddle, produces poor quality at high cost, while industry, when it's in the saddle, produces high quality at low cost. The one has to satisfy its customers and the other does not.

TWO SCENARIOS

Where shall we go from here? There are two possible scenarios. The one is that we shall continue in the direction in which we have been going, with gradual increases in the scope of government and government control. If we do continue in that direction, two results are inevitable. One is financial crisis and the other is loss of freedom. Great Britain is a frightening example to contemplate. It moved in this direction earlier than we and has gone much farther. The effects are patent and clear. But at least when Britain moved in this direction and thus lost its power politically and internationally, the United States was there to take over the defense of the free world. But I ask you, if the United States follows the same course, who is going to take over from us? That's one scenario, and I very much fear it's the more likely one.

The other scenario is that we shall, in fact, halt this trend—that we shall call a halt to the apparently increasing growth of government, set a limit, and hold it back. There are many favorable signs from this point of view.



I may say that the greatest reason for hope, in my opinion, is the inefficiency of government. Many people complain about government waste, but I welcome it. I welcome it for two reasons. In the first place, efficiency is not a disirable thing if somebody is doing a bad thing. A great teacher of mine, Harold Hotelling, a mathematical economist, once wrote an article on the teaching of statistics. He said, "Pedagogical ability is a vice rather than a virtue if it is devoted to teaching error." That's a fundamental principle. Government is doing things that we don't want it to do; so the more money it wastes, the better.

In the second place, waste brings home to the public at large the fact that government is not an efficient and effective instrument for achieving its objectives. One of the great causes for hope is a growing disillusionment around the country with the idea that government is the all-wise, all-powerful big brother who can solve every problem that comes along, that if only you throw enough money at a problem it will be resolved.

Several years ago John Kenneth Galbraith wrote an article in which he said that New York City had no problem that could not be solved by an increase in government spending in New York. Well, since that time, the budget in the city of New York has more than doubled and so have the problems of New York. The one is cause and the other effect. The government has spent more, but that meant that the people have less to spend. Since the government spends money less efficiently than individuals spend their own money, as government spending has gone up, the problems have gotten worse. My main point is that this inefficiency, this waste, brings home to the public at large the undesirability of governmental intervention.

There are also many unfavorable signs. It's far easier to enact laws than to repeal them. Every special interest, including you and me, has great resistance to giving up its special privileges. I remember when Gerald Ford became president and called a summit conference to do something about the problems of inflation. I sat at that summit conference and heard representatives of one group after another go to the podium—a representative of business, a representative of the farmers, a representative of labor, you name the group—they all went to the podium and they all said the same things: "Of course, we recognize that in order to stop inflation we must cut down government spending. And I tell you, the way to cut down government spending is to spend more on me." That was the universal refrain.

Many people say that one of the causes for hope is the rising recognition by the business community that the growth of government is a threat to the free enterprise system. I wish I could believe that, but I do not. You must recognize the facts. Business corporations in general are not defenders of free enterprise. On the contrary, they are one of the chief sources of danger.

The two greatest enemies of free enterprise in the United States, in my opinion, have been, on the one hand, my fellow intellectuals and, on the other hand, the business corporations of this country. They are enemies for opposite reasons.

Every one of my fellow intellectuals believes in freedom for himself. He wants free speech. He wants free research. I ask him, "Isn't it a terrible waste that a dozen people are studying the same problem? Oughtn't we to have a central planning committee to decide what research projects various individuals undertake?" He'll look at me as if I'm crazy, and he'll say, "What do you mean? Don't you understand about the value of academic freedom and freedom of research?" But when it comes to business he says, "Oh, that's wasteful competition. That's duplication over there! We must have a central planning board to make those things intelligent, sensible!"

The greatest enemies of free enterprise in the US are intellectuals and businessmen.

So every intellectual is in favor of freedom for himself and against freedom for anybody else. The businessman and the business enterprises are very different. Every businessman and every business enterprise is in favor of freedom for everybody else, but when it comes to himself, that's a different question. We have to have that tariff to protect us against competition from abroad. We have to have that special provision in the tax code. We have to have that subsidy. Businessmen are in favor of freedom for everybody else but not for themselves.

There are many notable exceptions. There are many business leaders who have been extremely farsighted in their understanding of the problem and will come to the defense of a free enterprise system. But for the business community in general, the tendency is typified by U.S. Steel Company, which takes ads to extol the virtues of free enterprise but then pleads before Congress for an import quota on steel from Japan. The only result of that is for everybody who is fair-minded to say, "What a bunch of hypocrites!"

(Continued on p. 61.)

Block prints by Audrey Brewer

Who Would Chose Socialism?

The Israeli Kibbutzim provide the acid test for Voluntary Socialism.

by Robert Nozick

WHAT PERCENTAGE OF PEOPLE would *choose* to live under socialism? The communist countries do not help us to answer this question, for neither through elections nor through emigration do they offer their people any choice. What about the electoral experience of democratic societies such as England or Sweden? Even this does not enable us to disentangle (imagined) self-interest from our topic: the desire to participate in socialist interpersonal relations of equality and community.

To find out what percentage of people especially want to live under socialism, we need a situation where people have a reasonably attractive socialist option *and* also a reasonably attractive nonsocialist one. If it is not precisely the optimal experiment to answer our question, the Israeli experience with kibbutzim comes as close as the real world can.

Not only have the kibbutzim offered socialist personal relations in a socialist community, but these communities have been widely admired for performing the important functions of reclaiming the land, aiding Jewish self-defense, and "normalizing" the occupational structure of the Jewish people. Unlike 19th-century utopian communities in America or 20th-century communes, membership in a kibbutz brought respect and support from the wider society, aiding members through difficulties. Furthermore, no natural population provides a more fertile ground for socialist commitment than the Ashkenazi Jewish population. No people is more prone to being captured by an "idealistic" ideological position, especially one emphasizing group solidarity. Indeed, there was selective entry into Israel early in the century; many came *in order* to help build socialism and did their best to instill their ideals in their children.

The kibbutzim are now a very comfortable alternative. By and large they are economically very prosperous. A high level of cultural activity is available per capita. They have a widely admired educational system (one which, despite their socialist beliefs, kibbutzniks have been somewhat reluctant to share by a day with poorer children in the surrounding areas). They offer occupational opportunities in agriculture, industry, the arts and services, as well as administrative and political tasks in the wider kibbutz

It seems fair to say that the major reason for an Israeli's not living in a kibbutz is that he *just doesn't want to live that way.*

movement. No doubt, there are *some* occupations not easily carried out in a kibbutz setting (for example, experimental particle physicist), though there have been attempts to have university teachers based in a nearby kibbutz.

Within Israel, the kibbutz is a prosperous, widely respected and encouraged community (the encouragement includes tax benefits) offering variegated occupational and leisure opportunities. It seems fair to say that the major reason for an Israeli's not living in a kibbutz is that he *just doesn't want to live that way.*

The kibbutz population makes up 3.5 percent of the Jewish population of Israel and about 6 percent of the Ashkenazi Jewish population (of the kibbutz population, 85 percent is Ashkenazi). So now we know *approximately* how many people would choose, under highly conducive conditions, to live under socialism: about six percent.

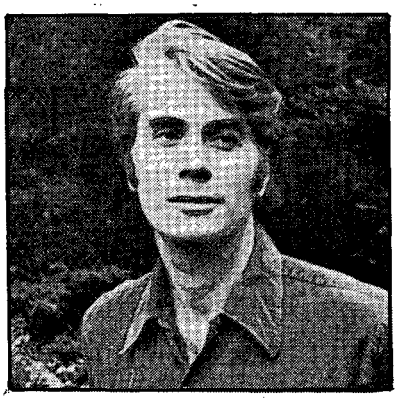
To be sure, the estimate must be refined a bit. No doubt some people outside kibbutzim want to live there but don't because their mates strongly object, just as some reside within kibbutzim because of *their* mates' strong preference. Some people who wish to leave stay in kibbutzim because there is no vested pension right that they can take with them, while some people who live in moshavim also may be seeking some socialist mode of life (of the Israeli population, 4.5 percent, with equal Ashkenazi and Sephardi components, is in moshavim, some of which combine communal production with familial consumption).

Let us be generous and suppose that half again as many would choose socialism. This brings the number up from six to nine percent. Under conditions as ideal as the real world can produce, nine percent of the people would choose to shape their lives in accordance with socialist principles.

Surely this minority should everywhere be allowed to do this, joining together with other like-minded people to live according to their desires. (It is a virtue of a free system that it allows minority preferences to be satisfied, just as a free market caters *also* to minority tastes—for example, for recordings of Renaissance music or of chassidic songs.) Furthermore, this minority may try to persuade the rest of us of the superior virtues of their ideal.

But that's all. They may not force the rest of us to live that way. We can understand, though, why they might be tempted to do so. In that setting *most* conducive to the free acceptance of socialist ideals, with the most attractive and respected socialist communities and the most receptive population, only nine percent (as a *generous* estimate) would choose to live that way. The prospects, therefore, are dim for interpersonal socialism's coming anywhere voluntarily. As Israel shows us, there won't be enough volunteers. ◧

Copyright © 1978 by Robert Nozick.



Robert Nozick, the author of Anarchy, State, and Utopia, *teaches philosophy at Harvard. He recently spent a year in Jerusalem.*

To find out what percentage of people especially want to live under socialism, we need a situation where people have a reasonably attractive socialist option *and* also a reasonably attractive non-socialist one.

Living In Freedom

Reflections on a Free Society by America's Leading Drop-Out

by Karl Hess

LIFE IN A FREE SOCIety would be very much like the life I now lead—with an important difference. It would not be lived under the shadow of State power that, admittedly, can snuff out freedom whenever it desires and, observably, does so with systemic regularity around the world.

Life in a free society, however, and to continue the point about the way I already live, would probably be more like life in contemporary America than like life anywhere else on earth—but again, with important qualifications. Virtually everything unattractive about life here, or anywhere, descends from or depends upon the coercive power of the State. The giant corporatism that ignores subtle, safe technologies for the bludgeon approaches of the assembly line and the discard heap is State-supported and State-subsidized, held together even at the outset by the contrivances of corporate law and the conveniences of corporate taxation. And without the garrison state, the richest grazing grounds of the corporate dinosaurs, the tender leaves of the underdeveloped world, would not be nearly so gulpable.

Without the domestic welfare state, the dispossessed and the discarded would be forced to act on their own behalf rather than inadvertently serving as a buffer between hopes of change and the determined status quo of the State and its major partners in the banks and megacorporations.

WHAT AMERICA HAS NOW

To expand on the point about America: We already have vastly more social and economic space here than anywhere else on earth. The entire exercise of which this essay is part would be unthinkable in many political jurisdictions on this earth. That, however, is a minor point. Free speech has always seemed to me to be one of the least impressive freedoms. It can, after all, be simply the freedom to hold and express opinions.

The ability to act is what seems crucial to me in human freedom. There is more freedom to act here than in most parts of the world.

First, there is physical space. We live on a comparatively empty landscape, with most of us bunched up along the coasts and in just a few central corridors.

Second, there is cultural space. We are a varied bunch. Our regions are wonderfully balkan in their differences. Television has mounted a major attempt to obliterate them, but, the very differences seem to co-opt TV as much as it is the other way around.

Public schooling was specifically designed to destroy those differences and came terribly close to doing it until it, itself, began to collapse into the wreckage of progressivism. The good sense of Americans is heroically, if slowly, beginning to reject that foul progressivist notion that "the purpose of public education is not to educate the intellect but to educate the emotions," a cruddy, bureaucratic version of the tatty little self-realization dodges that are today's version of the old-time snake medicine shows.

If, in fact, TV continues to decay from its own egregious lack of imagination and low opinion of Americans, and if educational professionals continue to be rebuffed by outraged taxpayer-parents, not only will important regional differences be relieved of national strain but people generally will have some new space for their own actions—space not colonized by the public schools and the private socialism of the State-licensed airways.

Thus, although I readily admit the problems, I continue to insist on the great and bright possibilities, the American possibilities. We are a varied, inventive, often idiosyncratic people. Although we may appear from time to time to worship authority—and indeed, some of us (Reaganites, orthodox liberals, *National Review* militarists, orthodox Marxists) do, abso-

lutely, worship authority—it still seems safe to say that most of us are antiauthoritarian by deep cultural background.

FREEDOM IN PRACTICE

So, some of the specific points about a free society, points which already may be observed in action here and now:

A free society would (and *does* where parts of it exist already) find people unwilling to give up *their* political power to representatives. Where people organize their public life in actual town or neighborhood meetings, they demonstrate this feature. In many countercultural communities, where public life is organized around meetings, people retain power and do not give it away.

In worker-managed enterprises, there is the economic counterpart of this retained power, with decisions being shared by all affected and not delegated to authoritarian proxies. Indeed, who could be called competent to represent a free person other than the person himself or herself! Freedom achieved by giving up freedom—the freedom of so-called political efficiency—is no freedom at all but simply serfdom accepted.

The partly free society in which I live—as part of a rural community at the top of the Appalachian region—emphasizes responsibilities rather than rights or entitlements. Rights, in this community of neighbors, come from agreements. Responsibilities come from the natural world. No one has the right to eat or even live. They have the responsibility to maintain their lives and to grow or obtain food.

The partly free society in which I already live has long ago slid away from the official economy. It is called a poor region, because is has low cash incomes. It is not poor. It has a fairly rich economy, based in part upon shared or bartered goods and labor stemming from a culture of large and cooperative, and extended, families. And, unlike the official economy, the economy of such so-called underdeveloped areas is based upon actual production and real, tangible values rather than upon fiat currency and towering card houses of bank-managed debt and cartels.

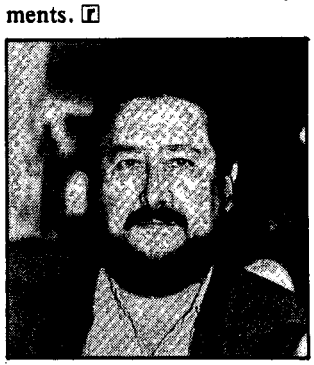
The partly free society in which I already live places great value upon the artistic and the scientific, to use their grandest names, rather than upon the managerial and manipulative. Good musicians are felt to be productive and are respected. So are artisans of many sorts. People who can build and grow things, invent things, fix things, are highly respected. People who simply connive, or wheel and deal, or boss people, are seen as slickers, parasites, and pests. Individual, actual entrepreneurs, the small businessman, the builder, the handyman, are not seen as "managers" but rather as people who "work" for a living.

These are ways of looking at the world that, it seems to me, would be very important in the free society that eventually might be our planetary heritage, in all of the nestled places where we actually live.

A free society would never ask its true citizens to think of what they could do for the State. It would always challenge us to do without the State — that ancient false promise, that venerable yoke. A free society based upon the hierarchical structure of the Nation State would give people freedom, it would say. But freedom should not be given. It should be lived. Thus the abiding point about how it would be to live in a free society: It would actually be living many ways for many people—as they, in freedom, would choose to live and as they could, in nature, manage to live. All of it would be balanced against the equally rigorous freedom of all other people, with no people paying for their own freedom by enslaving someone else.

I don't think, all in all, a free society, even if universal, would be a terribly gaudy or actually surprising thing. It would be, rather, more like our peaceful dreams, enlivened by creativity but relieved of the chrome-fashion, boutique-imagery, booster-boomer hullabaloo of the neatly packaged pressure cookers that now so often pass for social habitations.

And, finally, the proper answer to what it would be like to live in a free society has to be answered by each of us. Each of us, working and discussing together with those others of us who would join in any particular part of it all actually define, by being participants, a free society. A free society is simply not a general thing. It comes in particulars. And those particulars are human action, action by individual humans, coming together in voluntaristic social arrangements. ◻



Karl Hess, a former speechwriter for Sen. Barry Goldwater, helped put libertarianism on the map with his March 1969 Playboy *article "The Death of Politics." Well-known for refusing to pay taxes, Hess now lives in rural West Virginia.*

RETURN FROM THE

STARS

Coping With Violence In The 21st Century

An excerpt from the forthcoming novel by the Founder of Rampart College.

by Robert Le Fevre

I STEPPED AWAY FROM the tabulator's window, and Frank Cloney smiled through the bars. "Remember," he said, "we're in business. When you have a few megabucks to work with, keep First Freedom in mind.

"We pay the highest interest in Maxurb. At the same time, and unlike some of our competitors, we're eager to make loans. That's because we have a formula at First Freedom, fully warranted by our depositors, which keeps us an aggressive, profit-seeking funding institution.

"At First Freedom, Urban Kane, the customers are in charge of their own funds at all times. And they know it. We store their money for them in safety and for a small annual fee. Or we use their funds as a reserve for our own investments. We are quite conservative here and pay only modest interest. However, if a customer chooses to make his money available for the investments of our other clients, our interest is the highest in Maxurb. 'When you take chances, your interest advances.'" Cloney grinned. "That's our slogan, you know."

I was learning the lingo. "Thanks a mil, Frank," I said. "I can't imagine how I'll ever get a megabuck. But it's a great pleasure having your finanical institution explained."

I opened the kiosk door and stepped into the vaulted, glittering foyer of First Freedom, its hum of business activity pleasantly accompanied by a recorded version of a Mendelssohn scherzo. Mentus was standing by in his flowing lavender. "Mister...I mean, *Urban* Cloney gave a sparkling recitation," I said to him. "But I can't get over it. Your banks...excuse me, your revaults operate without any outside supervision. What keeps the bankers honest?"

"Competition for profits," Mentus responded, smiling in that enigmatic way he had. "How long would you keep your money in any institution if you learned that dishonest practices took place there?"

"I'd sue," I said.

"Not in Maxurb. We have no such mechanism."

"Well, if I couldn't sue, what could I do?"

"You could withdraw your funds."

"Sure. If I had any left."

"Correct. What else would you want to do?"

"I'd like to get back whatever I'd lost."

"Of course. How would you go about that?"

I shook my head, baffled.

"Some years ago just such a situation occurred. A dishonest vault-keeper misappropriated funds. One depositor, discovering his own loss, reported the matter to the press. After an investigation, a full report was published and aired."

"But what if the bank...I mean, the revault president refused to permit an investigation?"

"Then that fact would have been published and aired."

"So?"

"That's what happened in the case to which I refer. The revault president didn't want an investigation by the press. He refused. The fact was published. That brought such a clamor that a full investigation by the press took place. Immediately the stockholders descended on the board of directors. The erring president was summarily discharged. A full payment was made to the injured depositor. Meanwhile, the run on the revault, which had begun the moment the first story appeared, tapered off, and the new management voluntarily placed itself under bond. Thus reassured, depositors and borrowers returned. The entire affair was ancient history within a week. Had the 20th-century method of a lawsuit been employed, the matter might still be pending.

"The records indicate that the results in the 20th century would have been far from satisfactory. Enormous sums would have been lost in prosecution and defense. The final disposition would have been, in all probability, a compromise of some sort; the institution would have been shielded from full public gaze. And it is entirely possible that further dishonest practices would recur. We believe our methods are less costly and far speedier."

My head was spinning. For years I had given lip service to the idea that reason is superior to the use of force, but when it came down to the crunch, I was entirely willing to use force. Now I couldn't destroy Mentus' arguments.

Mentus smiled kindly. "I realize you've been away a long time. Try to remember. Here in Maxurb we have a free society. No revault worthy of your trust would tolerate outside supervision for an instant. You wouldn't want your private financial affairs known to others who might turn out to be your competitors. Revaults, like any business, must act to please their customers or be prepared to fail. Privacy is guaranteed, unless you, yourself, demand publicity. Then you can get it."

I looked at the gleaming marble kiosks, each tabulator invisible, isolated with his own personal and private customers. I noted the sheen of brass and gold, the sparkle of crystal chandeliers. I glimpsed the flashing quotations of stock and bond prices, marching steadily across the screen strips in the roped off Hall of Speculation. I stared agape at the stewards and stewardesses, each in maroon jacket and calf-length matching trousers, balancing trays, scurrying about, bringing drinks to customers or bent on other errands respecting pleasure or finance. First Freedom Revault was a combination of the Bank of America, E. F. Hutton, and the MGM Grand Casino in Vegas. Only the slot machines were missing. But Mentus had already explained that. "Gambling is one thing; speculation in hope of profit is quite another matter," he had said. First Freedom proved his point.

At that instant a klaxon blast from loudspeakers interrupted the flow of business. Everyone froze in his tracks.

"What in the world...?" I began, but Mentus held up a hand for silence.

A chime sounded three times. Then a bell of a slightly different key struck twelve, followed by the most hideous siren I had ever heard. A pair of notes, one middle register, the other lower in key, crisscrossed each other in descending scale with a sudden upward surge at the end. It had sounded like a mechanized retching, as if a robot had lost his lunch.

Mentus' face never lost its calm. "We're in luck, Peter. You've been insistent that even in a free society crime will persist. And as I've told you, it does. But it is rare. However, some kind of violence is occurring on Avenue C near 12th. That's only two squares away. If we move promptly, we may be able to witness part of the event."

As Mentus finished speaking, I noticed that the alarm had had no lasting effect on the activities of the revault. A stewardess who had halted only a few steps away, with a tray delicately balanced, continued on her way. A businessman had just reached for the control of his personal kiosk and had frozen, arm extended. Now he opened the door and disappeared into the private interior. All procedures had

returned to normal.

"With violence in the neighborhood, Mentus," I said, "I should think any financial institution would take precautionary steps. After all, First Freedom would be a prime target for any criminal."

"The precautions have been taken, Peter. You don't see them, of course. First Freedom, like any revault and even most other businesses, has spotters on the roof. If anything untoward happens on the street in this square, sheets of steel will descend rapidly, blocking all entrances to the building. There's no point in doing anything drastic unless it becomes necessary. Meanwhile, First Freedom is open for business. But it is on alert status.

"Let's be on our way, Peter. If we don't hurry, we'll miss the trouble altogether, and I know you have the typical 20th-century fascination with violence."

With a deceptively leisurely stride, Mentus moved rapidly to the entrance, with me trotting behind.

On the street, we hurried up the stairs and onto the moving walkway. I looked about, expecting to see people ducking into doorways, hiding from some violent disorder only a short distance away. Instead, people were moving along about their own business as though nothing was happening.

A plump woman laden with parcels had stepped onto the walkway just ahead of us. Looking back, she recognized Mentus, and I sensed she was even aware of my identity. She smiled broadly and said, "Excuse me for not shaking hands, Urban Mentus. It is an honor to see you."

"Thank you, Urbaness," Mentus said.

She smiled at me. "Are you the astronaut, Urban Kane?"

I nodded and clasped my hands before my chest in the universal handshake.

"How nice," she said. "What a fortunate day I am having."

People in Maxurb were certainly friendly. And my arrival had been well publicized. But the scene was so normal that I was perplexed. Down below, strolling before the storefronts, was the usual crowd of window-shoppers. On the belt moving in the opposite direction, people occasionally waved or clasped hands, bestowing greetings.

I jerked my head, indicating the shoppers generally. "Don't they know what's happening?"

"Certainly. The alarm we heard was sounded through Maxurb."

"Then there has to be a government of sorts. Someone has to maintain and pay for that alarm system."

Mentus shook his head. "I can appreciate your confusion, Peter. But we have no government. At least we have nothing at all that resembles what you have in mind—some centralized agency of force. The alarm system was installed and is paid for by the various news media. They find it good business. And here comes one of the news teams now, on its way to the scene."

I followed the direction indicated by Mentus' outstretched arm. What can only be described as a rotorless helicopter was swooping over our heads as silent as the dawn. Instead of propeller blades, a whirling silver disk, set flush under the floor of the vehicle, was visible. Huge white letters on the undercarriage read "M.M.N." It must have been a unit of the Maxurb Media News, a paper I had read and also seen on the teletalk.

The walkway zoomed over the intersection, and halfway down the second block Mentus pointed again. The news car hovered motionless above a throng of persons standing in front of a sporting goods store.

"Come, Peter." We transferred to the adjoining pedipad, then scrambled down the stairs. At the crowd's edge, people moved to one side as they glimpsed Mentus' lavender robe. I followed in his wake.

Suddenly we were face to face with an unfolding drama. A man, wearing a grotesque mask that covered his entire head, stood with a blaster pressed against the neck of an attractive young lady. He was screaming. "Back off! I mean business!"

The girl's eyes were closed, her lips tightly compressed. She was blond, with cascading shoulder-length tresses. She wore a filmy white blouse with short sleeves and the traditional tight-fitting calf-length slacks of luxurious blue velvet. With a blaster against her neck she should have been terrified. But there was an air about her. She was frightened, but there was no sense of panic. The girl's purse, the apparent object of the robbery, was snapped to the man's belt.

Mentus confronted the holdup man calmly. Others encircling the pair kept a respectful distance. Some, carrying parcels, were obviously shoppers. Others had interrupted whatever business they had been pursuing. No one was fleeing in terror.

The man grabbed the girl by an arm and swung the blaster back and forth for a moment, taking in the pedestrians. "Back off and nobody gets hurt!" He roared. "All I want is to get out of here!"

The air car with the news team aboard was open along one side. At least two cameras were filming the scene, and a microphone dangled only a few feet above the head of the tallest man in the crowd. Even as I took note of this detail, a second air car arrived; its side opened, and more cameras swung into play. Competition.

For years I had given lip service to the idea that reason is superior to the use of force.

"You may dispense with the disguise," Mentus said in a clear voice that was devoid of anger or anxiety. "I recognize the movements and the voice of the Atavist, Humbolt."

The holdup man stiffened. Then with his left hand he swept off his mask and hurled it to the pavement. "The damn thing was too confining, anyhow!" He stood revealed as a clean-shaven, tousled-haired individual with eyes that shifted constantly in a look of desperation. "What the hell's the matter with you people? Don't you realize I could kill any one of you?"

"I'm sure you feel better with the mask off," Mentus said. "Thank you for cooperating. Would you mind explaining to me and to others what you hope to accomplish by this display of force? Has the lady injured you in some way?"

"Hell, no. I'm broke. I need the money. I need lots of money."

"We all need money. But there are better ways of obtaining it. For instance, you might get a job."

"Fat chance," the man said, glowering at Mentus. "You fixed that. Nobody'll hire me."

"I did nothing to you whatever," Mentus replied. "You have scared off potential employers by your prior behavior. But if you'll put away your blaster and calm down, I'll put in a good word at the Mission. We can begin your rehabilitation any time. It won't be easy."

"I'd have to start at the bottom all over again. That's for crap!"

"Did you think that shoving a blaster into a girl's neck would get you a job at the top?"

"Of course not." For a moment the robber was disconcerted. Then he blurted, "It's not just the money. God, if I could only get you dummies to understand. Geez. Our whole country is in danger. We're about to be invaded. And you

damn fools stand around like dumb oxes and listen to a bunch of twaddle from this lavender lunatic. We gotta raise an army! We gotta defend ourselves!"

"You're getting me confused," Mentus said. "Are you after cash or do you want publicity for one of your schemes? I can't help you if I don't know what you really want."

First Freedom Revault was a combination of the Bank of America, E. F. Hutton, and the MGM Grand Casino in Vegas.

"Both! I need both!"

"I can virtually guarantee you the publicity. If that's what you're really after, return the girl's purse and let her go. Two of the major media are present, and I'm sure you'll have national coverage. How about it, Urbanites?"

Mentus looked upward and one of the men in the first air car waved his hand to indicate concurrence.

"It's arranged. And not because I interceded. Your actions got you the publicity."

The gunman was breathing heavily. "Know what I'm gonna do? I'm gonna pull the trigger and blast this dame."

"I hope you think better than that," Mentus said quickly.

"Nobody takes me seriously. If I blast her, I bet you'll show some respect!" His attitude was menacing.

The girl opened her eyes. She was surprisingly in command of herself. "He can have my purse if he's that desperate," she said.

"Best let me do the talking, Urbaness," Mentus interrupted. "Let's begin here. You are in charge of this situation, Humbolt. You have placed yourself in command of the next move. No one will dispute that. Now, let's consider your options. You can proceed to kill this innocent woman. But you picked a poor place for such an execution, Humbolt. You are standing in front of a sporting goods establishment. There are blasters for sale inside. This shop does a brisk business. It wouldn't surprise me to learn that one or more persons standing here in this crowd already has a blaster trained on you. It may even be that the proprietor has his spotter on the roof with his defenses prepared. I have no idea what they are. I'm sure the newsmen are prepared.

"I won't hurt you, but someone else very well might do so. I would not applaud the deed, but it is quite possible that somebody less generous than I might not see it in the same way. I have no control over the actions of any person but myself.

"However, you may be simply seeking suicide. If that is your wish, I'd suggest that you turn the blaster on yourself and have done with it. You have no cause whatever to harm an innocent woman.

"Next, if publicity is your object rather than your own demise, I'm sure the news teams will record faithfully anything you have to say. And it will be publicized.

"If your object is money, you're completely on the wrong track. But, as I've said, I'll help you get started again. At the bottom, of necessity, but a start."

"That's where you're wrong! I'm gonna hold this girl as hostage. I can collect a big ransom."

"Wait a minute, Humbolt. Let's carry hostage terrorism into its next phase. What you really want to do is to alert your fellow countrymen to the possibility of invasion from abroad. Isn't that right?"

"Geez. Creez! Don't tell me I finally got through to you!"

"Certainly, you did. I understood what you said. Now, if you kill the girl, you will probably be killed, too. Then who will protect the country?"

"God, you're right about that. Nobody. Nobody in this stinking society."

"Now, let's see if we can put the pieces together. You took this opportunity to get yourself publicity. That was a shrewd move, Humbolt. It has already succeeded.

"Furthermore, your purpose you believe to be good. You know, there are people in the country who might agree with you. But if you blast an innocent woman, how many of those people do you think would flock to your banner? Is she an enemy of this country?"

Humbolt took the blaster from the girl and looked at it, almost foolishly. Suddenly he dropped her arm and faced Mentus, the flared snout of the weapon menacing. He shrieked with maniacal laughter.

"You're right, Mentus. She's not the enemy. She can go! You're the enemy. And I've got you! I'm gonna hold *you* for ransom!"

To my amazement, the girl didn't dash away. Nor did she faint. Instead, she slipped into the crowd and then turned to watch. She was a cool customer.

Mentus nodded, almost as though he had forseen the sudden danger to himself. He was unflappable.

"Excellent, Humbolt. The girl has been released. Now, return her purse."

Humbolt put both hands to the blaster. He spread his legs and strutted toward the two of us. "Who's the creep with you?" he bellowed.

I can't explain it. Maybe it was because I was slightly to the rear of Mentus. But to my own amazement, I wasn't particularly frightened. Perhaps I had been inspired by the marvelous self-control the girl had displayed.

"I am the astronaut, Peter Kane," I said. "I have no weapon."

Again Humbolt shrieked. "Wowee. I've got two! And will I ever get megabucks for you! This is gonna be my lucky day."

"Please, Peter," Mentus admonished. "Let me do the talking. Humbolt is as sharp a lad as we have in Maxurb. He has a few fixations but could achieve a great deal if he applied himself correctly."

"I got you! I got you both!" Humbolt shouted. "You're gonna come with me. And don't try to butter me up!"

"I'm not going anywhere with you until you return the girl's purse."

"And I ain't returnin' the purse," Humbolt sassed. "I need the money, too."

"Don't you need a great deal of money?"

"Sure. And you're gonna git it for me."

"I know. You want to hold me for ransom. None of my own funds can be touched for that purpose. That's already a part of my contract with my revault.

"Your threats toward me keep you in the same precarious situation, Humbolt. If anything were to happen to me, this crowd wouldn't like it. Your chances of creating interest in your cause would vanish. Further, with me dead, there is no chance for you to hold me for ransom. So, your threatening attitude against me is useless. As for Urban Kane, he is broke.

"But, if you'll explain your purpose a bit more, maybe there are those present who would like to contribute to your cause—or possibly others who could be reached."

"You'd wreck it for me!"

"I'm trying to be helpful. I believe in charitable causes if they are worthy. You say we need to defend the country and you need money."

"Geez. Creez. I'll say. Nobody seems to give a damn. The country is about to be invaded. The fleets of the Cordonites are already moving across the Atlantic. Geez, God, can't we even begin to git ready? Where's the army? The navy? The air battalions? We're just a bunch of sitting ducks!"

"I understand that the Cordonites are on a trade mission."

"Baloney! They got you all fooled. I'm trying to organize a defensive front. That's what I need the money for!"

"All right," Mentus said. "Let's talk

about that. Suppose you're right. Our reports tell us that the Cordonites are fine, intelligent people trying to improve their standards of living by trade and industry. But suppose the information we have is wrong, and their intention is war. As you correctly point out, we are at peace and do not have a standing army, navy, or air force. Suppose the Cordonites land and proceed to take over. What would they do next?"

"You know damn well what they'd do. They'd put a military dictator over us. They'd regulate us and tax us and draft us into their armies. And we'd be told where to work and what to produce. And they'd do as they pleased. We'd no longer be free. We'd be slaves to the Cordonites."

It sounds strange, but right then I found my sympathies shifting toward the man with the blaster. The culture to which I had returned certainly had a great deal going for for it. It was great. It was exciting. But it was totally vulnerable to outside attack. I found myself looking at Mentus with a strange emotional alienation. This time he was wrong! Humbolt was obviously not to be trusted, but he had a point. A country has to protect itself.

Mentus merely smiled. "So what you propose to offset a possible military invasion and resulting dictatorship is that we create one first and impose it on ourselves. We organize a permanent military force and set it up under a government. To maintain it we would then be taxed and drafted into Urbanite armies. And we'd be told where to work and what our work was worth. And we'd no longer be free that way, either."

"The Cordonites are terrible people."

"*Any* person who regulates, regiments, and dominates you is terrible, whatever his name or language. If Cordonites covet what we have in this country, they can obtain it more cheaply and readily by keeping us gainfully employed at production and then trading with us. Our borders are open. We don't intervene in their affairs, but we trade with all comers.

"If they came in fighting, they would destroy our manufacturies and our fields. They would kill our people. And they would experience great losses in return. And when it was over, we'd all do our best to regain the condition of peace that we have now, but all of us would have less and be less capable than we now are. This is unprofitable.

"A war would be as dysfunctional for them as it would be for us. As it presently stands, the more important Cordonite producers and traders know this as well as we do. We both gain by peaceful exchange without tariff or other barriers. Start shooting, and the prices skyrocket for everyone. Cordonite problems would increase, not diminish."

"So would ours!" But the blaster wavered. Humbolt lowered it to his side. A sigh escaped from the crowd, but Mentus kept talking as though the lowered weapon meant nothing.

"True. But examine the base of your proposal. You are suggesting that because the Cordonites *might* be hostile, we *must* become hostile. You are urging Urban upon a course that is wrong because you believe that Cordon is on a course that is wrong. In either direction, freedom vanishes and we become a regimented people. The only virtue in what you propose is that those who regiment us would be of our own culture. To me that is a very small light in a very dark night. Regimentation by an Urbanite would taste as bitter as regimentation under a Cordonite and might even be more difficult to overcome."

Humbolt shook his head but made no threatening move. "I still think I'm right."

"Of course, you do. Now, a great many people have heard your story. Let those who wish to do so make a contribution to your cause. You do want a following, don't you?"

"Well, sure. Geez. Creeze. You can't get nowhere without people."

"That is correct. Now, you want people to give you money. Do you think many will want to when they are witness to the theft of that girl's purse? Is that the way you propose to raise money?"

Humbolt's jaw dropped.

"You've done a daring thing, Humbolt. And you did achieve an objective—publicity." Mentus had located the girl, standing in the crowd.

"Urbaness," he suddenly said to her, "How much is in your purse?"

"Thirteen minibucks and an F.F. credit card," she responded.

Mentus shook his head sadly. "That's a poor beginning, Humbolt, not because of the amount but because it wasn't voluntarily given."

Humbolt threw down the blaster. "Holy Geez. Is that all? I trailed her all the way from the revault. I thought she had a bundle. Anyhow, I never meant to kill her. The blaster is set to stun, if you wanna look."

The girl said, "I did have quite a sum, but I deposited it. I only kept lunch money."

"Geez God. Damn. All right. I'm off base. I'm way off base." Humbolt snapped the hitch and hurled the purse in the girl's direction. A young man caught it and passed it to her. Then the girl and her catcher departed, talking with animation.

"What you gonna do to me this time?" Humbolt asked Mentus.

"Just what I did before. Nothing. Except to say this. I suggest that the news media put some good men on the story. If the Cordonites are deceiving us, we should know about it. If anyone is interested in the ideas of Mr. Humbolt and wishes to make a contribution in support of his efforts, I will make no attempt to interfere."

I picked up the blaster. A quick look showed that Humbolt had told the truth. The weapon was on "stun." Also, the fuse was burned out.

"The blaster was useless," I hissed to Mentus. "He was bluffing all the time." I started to hand it to him.

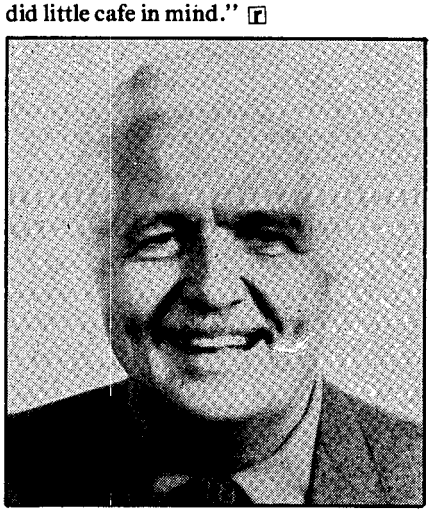
"It's not your property," he said, looking at me with surprise. "Let the owner have it. If he abandons it, then it can be disposed of."

I shrugged. In Rome you do as the Romans. I laid the blaster back on the walk. Humbolt picked it up and grinned. The small group began to disperse. Several came forward, shook hands with themselves while looking in Mentus' eyes and then walked away.

Mentus turned to me. "The incident is closed. No real harm was done. I don't believe Humbolt will go anywhere with his ideas, but they will be fully reported."

"So will your comments," I reminded him.

"Quite so," he said simply. "Shall we stop somewhere for lunch? I have a splendid little cafe in mind." ◻



Bob LeFevre is the founder of Rampart College and is a nationwide lecturer. His latest publications are The Power of Congress *(ed. R. S. Radford) and* Lift Her Up, Tenderly.

WHAT HAS GOVERNMENT DONE FOR YOU LATELY?

- ☐ Banned saccharin and regulated vitamins
- ☐ Created oil and natural gas shortages via price controls
- ☐ Raised air fares by CAB stifling of competition
- ☐ Required TRIS to be added to pajamas—then banned it
- ☐ Forced your children into a busing program
- ☐ Harassed your business with endless OSHA regulations
- ☐ Continually increased Social Security taxes—for a bankrupt system.

Many people still look to government as the universal problem solver. At REASON, we see government as part of the *problem,* not the solution. Every new government program increases your taxes and reduces your freedom. The challenge of the next quarter-century is to reverse the ever-growing stranglehold of government—on our lives, our economy, and our society.

At REASON Magazine, we take this challenge seriously. Each month REASON offers in-depth analysis of what's going on in America—things the liberal news media don't see or prefer to ignore. And we offer positive, innovative solutions—alternatives bases on individual initiative and private enterprise, rather than still more government.

Recent issues have included such articles as:

- How to Fight Land-Use Planners
- Gun Control Doesn't Work
- Rolling Back Socialized Medicine
- Making the Most of Your Swiss Bank Account
- Buying Off Bureaucrats
- Abolish the ICC
- Energy Crisis: Made in Washington
- Here Comes Voluntary Education
- The Case Against New Taxes

REASON features the thinking of some of today's best minds and top writers—people such as Edith Efron, Milton Friedman, Harry Browne,

Jim Davidson, Thomas Szasz, Murray Rothbard, and F. A. Hayek. In every issue you'll find feature articles, news, reviews, personalities, and cartoons. Plus interviews with people worth getting to know—like Congressman Steve Symms, science fiction writer Poul Anderson, Libertarian Party presidential candidate Roger MacBride, psychologist Nathaniel Branden, and Governor Ronald Reagan.

Join REASON on the frontlines of the battle to restore liberty. Enter your subscription today!

Reason Magazine
Box 40105, Santa Barbara, CA 93103

Please enter my subscription to REASON for the following term:

- ☐ One year, **$15** (save **$5** off single copy rates)
- ☐ Two years, **$24** (save **$16**)
- ☐ Three years, **$32** (save **$28**)

I enclose a check for _____.

Name_____

Address_____

City_____

State_____ Zip_____

A Free America

Reversing America's drift into statism would bring incredible prosperity . . . and world peace.

by John Hospers

IN A LECTURE DELIVERED some years ago, Prof. Brand Blanshard described the world as it was during his student days prior to the First World War. Some of the details, while impressive, were not new to me: the worldwide gold standards, the consequent stability of the currency, the fact that average prices of commodities in the United States had not gone up between 1800 and 1900. But the detail that stuck in my mind was that one could go from almost any country in the world to any other without a passport. If you can travel around the world without a passport, I thought, think what all that implies about the condition of the world at that time!

I have no memory of that world save through the ruminations of my elders. My earliest recollections about the economic system were of parents discussing with relatives the follies of FDR and what he was doing to self-reliance, to banking, and to currency; they seemed mystified that the majority of Americans, outside the Dutch community in Iowa where I grew up, did not seem to realize what was happening. They blamed the Depression on the Great War.

I cannot truly say that they understood the issues behind World War II. After Pearl Harbor they were almost relieved that the United States was "in it," because of the plight of our many relatives in Holland under the Nazis. Even then, however, many were suspicious that Pearl Harbor had been engineered by Roosevelt, and they were much more aware of the Soviet threat than those in power in Washington at the time—or at any time since. In spite of all the propaganda to the contrary, they believed that the Soviet government was at least as bad as that of the Nazis. They felt sympathy for the occupied countries (although England, as the traditional maritime rival of Holland and the victor over the Dutch both for New York—Niuew Amsterdam—and for South Africa in the Boer War, was still viewed with suspicion); but it was felt that "we" should not interfere between the Nazis and the Soviets but let them fight one another to a standstill.

THE MENACE TO FREEDOM

I did not really become aware of the issues confronting the world until after World War II. By that time, of course, passports were taken for granted, along with identification cards of every description (Social Security cards, whose number was supposed to be a secret between "you and the government," were already used for many other purposes). The international gold standard had collapsed, and even the gold-exchange standard would soon go. Many people complained about Government "snooping into our business" and "taking our rightful earnings" (income tax and Social Security), but it was, in the late forties and throughout the fifties, a much freer country than it is now—though, like all gradual changes, one was not acutely conscious of the encroaching State from day to day. Not that it was an idyllic period suffused with the spirit of liberty: blacks in the South were cruelly discriminated against, and urban crime was already a major problem.

But by the 1950's, much of the Roosevelt alphabet-soup had disappeared, and there was not yet an Occupational Safety and Health Act or an Environmental Protection Administration. The annual expenditures of the federal government were still only a small fraction of what they are now; most of the national debt was war debt; and one could still put money in the bank with some assurance that it would retain its value for later years when one might need it. Most Americans still believed that the attainment of self-sufficiency was an important moral goal. Welfare was not yet a way of life; there were not 40 million monthly recipients of Social Security and welfare checks, and medicare and food stamps were unknown. Most of the 462 percent increase in the federal bureaucracy between 1930 and 1974 had not yet taken place. In the economic area particularly, the degree of freedom was indeed almost idyllic compared with that of 1978. Enterprising people willing to take risks could still succeed spectacularly without government subsidy and without being done in by an array of federal, state, and local taxes; mountains of government paperwork; and endless detailed regulations.

But the transition from a constitutional republic to an unlimited democracy was well under way. In 1857, the British historian Thomas Macaulay had already

warned:

> The day will come when [in the United States] a multitude of people will choose the legislature. Is it possible to doubt what sort of a legislature will be chosen? On the one side is a statesman preaching patience, respect for rights, strict observance of public faith. On the other is a demagogue ranting about the tyranny of capitalism and userers and asking why anybody should be permitted to drink champagne and to ride in a carriage while thousands of honest people are in want of necessaries. Which of the candidates is likely to be preferred by a workman?... There will, I fear, be spoliation. This spoliation will increase distress. The distress will produce fresh spoliation. There is nothing to stay you. Your Constitution is all sail and no anchor. When Society has entered on this downward progress, either civilization or liberty must perish. Either some Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire in the fifth; with this difference, that the Huns and vandals who ravaged the Roman Empire came from without, and that your Huns and Vandals will have been engendered within your country, by your own institutions. [Macaulay to H. S. Randall of New York, May 23, 1857]

One can wonder what America would be like if, after 1776, it had only gone farther in the direction of individual freedom instead of turning back on itself as if bent on fulfilling Macaulay's predictions.

A FREE COUNTRY

In a free America, you would scarcely be aware at all of the existence of government, unless you violated the rights of others, in which case you would have to answer to the law.

You would be free to act on your own judgment; to have whatever beliefs you wished, true or false, on any subject; to discuss them peaceably, privately or publicly; and to act on them by any means short of interfereing with the equal freedom of others to act on *their* judgments.

Neither news nor entertainment would be censored by government. You would be free to choose your amusements as well as your profession, to gain employment among the alternatives available in a free society, and to start a business if you were willing to take the risk.

As an employer, you would be free to manage your business in whatever peaceable way you chose. If your product satisfied the customers you would make a profit, and if it didn't you would take the loss without the government throwing other people's money in to sustain the enterprise.

As a worker, you could go wherever the wages and conditions of work were best or into a less lucrative but more satisfying line of work, if that were your choice. You could join a union if you wished but would not be compelled to do so. You could quit or go on strike but would not be able to use force to keep others from accepting the job in your place.

The government would have no tie with either management or labor, nor would there be laws favoring the one against the other: there would be no laws on the matter at all, save those protecting contracts into which both parties voluntarily entered.

The price of gas, coal, oil, electricity, telephone service, and so on would not be fixed by government decree—nor, indeed, would the price of anything else—but only by the market. The result would be that mass production would increase as technology developed; the price of almost everything would go down; and even luxury items would become increasingly available to everyone. This state of affairs would be primarily the result of the free (untaxed, unregulated) expansion of technology and of the absence of inflation.

In a free America, you would scarcely be aware at all of the existence of government.

Government, of course, would have no control over the money supply. The medium of exchange would be coins (and bills exchangeable for coins on demand, if one chose to accept them), privately minted and circulated in response to market demand for a store of value and a medium of exchange. The Federal Reserve Bank, of course, would be eliminated, and all banking would be a private activity. With government no longer in charge of the monetary system, inflation would be a thing of the past; and without government powers to levy taxes on some to pay benefits to others, there would, in any case, be little incentive for inflation.

With the abolition of federal housing, rent controls, inflation, and taxes, the cities of America would be livable again; without government interference, it would once again pay landlords to build new low-income housing. The expansion of goods and services would take up most or all of the slack in employment, so that virtually anyone who desired it could be gainfully employed, with a much greater selection of alternatives and opportunities for the improvement of one's economic status than exists today.

LAISSEZ FAIRE

This prosperity would be the direct result of a hands-off attitude of government toward the marketplace—perhaps even implemented by a constitutional amendment (which should have been in the Bill of Rights of the original Constitution): "Congress shall pass no law abridging the freedom of production and trade."

With minimum-wage laws abolished, young people would be able to learn a trade through apprenticeship at a lower wage and then, already skilled, graduate to higher and higher income. Manufacturers, freed from bureaucratic regulations and mountains of government-mandated paperwork, would no longer have to pay $2 an hour of their employees' wages into meeting multitudes of minute government requirements, and they could also invest their profits into further capitalization, leading, in turn, to more employment. With the resulting greater efficiency of manufacturing processes, and more production per man-hour of labor, prices would gradually come down.

After abolition of the CAB and ICC and achievement of free competition in transport, airlines would charge a fraction of their present rates. Trains, freed from government restrictions and regulations, would flourish again, and a free enterprise system in bus lines in large cities would give the most business to the most efficient lines—thus restoring the long-lost connection between efficiency of service and profit.

The educational system, too, would no longer be in the hands of the government. To attract students, schools and colleges would compete with one another for quality education and the enhancement of their own professional reputations. No longer would schools turn out graduates unable to read their own diplomas; these and other relics of the educational stone age would soon be forever forgotten. Schools with the best reputations would also be able to attract the best teachers, and because of higher student income would be able to pay them the most, and in this way quality in education would tend to perpetuate itself. Variety and creativity in education, once the dead hand of government had removed itself from the system, would flourish as never before.

Since medical and dental care require the labor of others, these would not be available without cost without the consent of those rendering the service. But in

addition to the gradual decrease in price resulting from improved technology, there would be no artificial shortage of the supply of physicians and dentists resulting from compulsory government licensure. And in the absence of an FDA, a person would be free to ingest whatever he chose—whether to provide a cure for cancer or megavitamins for nutrition—without requiring FDA approval of the product.

The sick, elderly, and those not covered by insurance policies would be cared for through private donations—which would flourish once again after government no longer took upon itself the decision of who (through taxation) is and who is not the proper object of one's beneficence. Meanwhile, several factors would operate, from various directions, to reduce drastically the numbers of the poor: the knowledge that if they were not prudent now they would have to take the consequences later or rely on voluntary charity; the cessation of Social Security and other government programs, which would enable many people to provide for their own sickness or old age through private competitive insurance schemes whose payoff would be much greater than with government plans; and, most of all, the general level of prosperity—so great that we who have never seen a free society in operation can scarcely imagine its degree and extent—which would either reduce to a bare minimum the number of unavoidably employed or create more jobs than there are people to fill them.

DOG-EARED?

Does the copy of REASON you're now reading look ragged from having been read by several others? Why not get your *own* subscription. That way you won't have to wait to read the latest in news, views, and reviews in each month's timely issue.

Enter your subscription today, at substantial savings off single-copy rates.

☐ 3 yrs. for $32 (save $28)
☐ 2 yrs. for $24 (save $16)
☐ 1 yr. for $15 (save $5)

☐ payment enclosed ☐ bill me

Name_____

Address_____

City/State/Zip_____

Mail to: REASON
Box 40105
Santa Barbara, CA 93103

A FREE WORLD

But a free American would still be insecure in the absence of a free world.

With a free America achieved, the envy of those in unfree countries would be enormous. The effect on the *people* of those nations would be to exert a brain drain of tremendous proportions, causing the most productive and creative people in those countries to leave for America where their chances of success would be multiplied and their freedom from tyranny assured. On the *governments* of those nations, it would exert an opposite effect: it would make more of them erect Berlin Walls to keep their most productive people from leaving, and it might also tempt them into military operations against the United States in order to divert attention from their tyranny at home; for once the effects of freedom were known, after a free society in America had become fully operational, the restrictions by these governments on their own people would stand out naked for all the world to see. Some governments might try to neutralize this threat by attacking the United States before the people of the world had become aware of the benefits of liberty that their own governments had denied them.

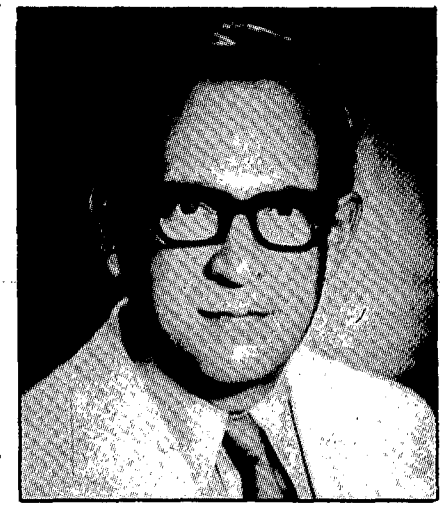
Their chances of success in such an endeavor, however, would soon diminish. Without infusion of grain and technology from America, the Soviet Union would sink further and further into poverty and famine. Their technology, largely derived from the West, would also deteriorate although the technology already in their hands might be sufficient to give them some chance of success. Their chances would also depend on how successful they had been in making off with the mineral wealth of Africa, and whether they controlled the sea lanes of the Indian Ocean and the Persian Gulf, as well as the oil of Arabia.

With the American government no longer subsidizing the Soviet Union, and without guarantee of reimbursement from the Export-Import Bank, few US firms would care to deal with the Soviet Union. Its economy would falter; even its weaponry would gradually wither on the vine; and Soviet-style socialism would be left to its own unaided resources. As Solzhenitsyn said in Washington in 1975:

> It is American trade that allows the Soviet economy to concentrate its resources on armaments and preparations for war. Remove that trade, and the Soviet economy would be obliged to feed and clothe and house the Russian people, something it has never been able to do. Let the socialists among you allow this socialist economy to prove the superiority that its ideology claims. *Stop sending them goods.* Let them stand on their own feet, and then see what happens.

With every passing year the Soviet threat would diminish, and so would that of every other socialist state. And thus, finally, a free United States would come to exist in a peaceful world. Once the technology of socialist states, unaided, proved insufficient for aggression, there would also be a much greater chance that in time they would no longer be socialist either and that the entire world would be not only peaceful but free. Thus the freedom of the United States would have spread to the rest of the world, not by its shining example alone, but because the entire world would perceive at last that freedom works. ◻

Prosperity would be the direct result of a hands-off attitude of government toward the marketplace.



Professor Hospers is a frequent contributor to REASON. He is the author of Libertarianism, *as well as several books in philosophy, and is currently at work on a new book on aesthetics.*

A NEW WORLD REVOLUTION

by Roger L. MacBride

THE REVOLUTION—THE WORLD LIBERTARIAN revolution—is on its way.

"But when," you ask, "when will its success be confirmed, and obvious and widespread?." Ah, that I cannot say. A century? Two? Or three? The speed of events is impossible to predict, but that they will occur is a sure bet.

Specific evidence? We don't hear as much as we'd like from the world behind the Iron Curtain, but the trend of what we do hear is encouraging. The present regime in Soviet Russia has not been able to stamp out dissidence as Stalin did in the 1930's and 1940's. There are just too many subjects of the Kremlin who have acquired a knowledge of the principles of liberty, and who are agitating for it, for those ideas ever again to be wholly suppressed. In time, and with the passing of the current dictatorship, those ideas will begin to prevail.

And in the satellite countries such as Czechoslovakia and Poland, we read now and then of men and women who willingly risk punishment to proclaim the truth, to demand civil liberty. In countries like Romania and Hungary there is a visible loosening of the tight check rein on ideas held so long on the subjects of those oppressive governments.

In India, hag-ridden as that country is by primitive superstitions, the pressure on its recent dictator Indira Gandhi grew so great that she submitted herself to the electoral process—and lost. Her successor as prime minister was, a couple of decades ago, a founder of the Swatantra Party, devoted to the ideals of a free economy. In South Africa black citizens increasingly agitate and demonstrate for rights equal to the white man—the right to own property, to work where he pleases and travel as he wishes, to speak his mind and publish his words. The present Israeli government has turned its back on socialism and is engaged in privatizing the economy. Even the present dictatorship in Chile has recognized the validity of the free market approach to economics, and in a hesitant manner has been moving to that end. In Japan the old corporate-paternalism system, in which one's status was determined from youth by the first job he took, is crumbling in favor of a more flexible set of policies both socially and economically. Hong Kong has shown the world what prosperity a free trade zone can bring. The millions who live there are incomparably better off than their neighbors on the mainland—who are well aware of the difference and the reason for it. In Denmark, a new political party whose reason for being is the dismantling of the welfare state commanded a plurality of the vote in its first election.

And in our own country, even as I write, a reluctance to enlarge the State surfaces in that bastion of invincible ignorance, the United States Congress. The Administration's collectivist solutions to problems are in trouble. The bill to restrict hospital spending by law has run into formidable and apparently fatal opposition; Mr. Carter's attempt to create a fascist energy system has been stalled for nearly a year and may be mortally ill. Many states have begun to pay attention to civil liberty: marijuana-possession penalties have been drastically reduced in some and may be on their way out; the right of a patient to dose himself with Laetrile has been confirmed here and there—and federal and state judges have upheld the right as well; legislatures have passed shield laws to protect newsmen whose sources of information are confidential. Attempts to reimpose bans on abortion have been beaten back.

The statists haven't succeeded in banning literature they dislike—although a generation ago they were in near-total control. Americans are increasingly distrustful of secretive agencies such as the CIA and the FBI, even if Mr. Carter isn't. The whole system of licensing laws for the professions is undergoing close scrutiny. And so on, and on.

The great libertarian philosophical movement has spawned a Libertarian Party in the United States which in its first major national effort passed all of the rightist (Maddoxian) and leftist (Marxist) political parties, and whose size and influence is daily growing. And that Party has spawned counterparts in, at the current count, five other countries. They may be small as yet compared to entrenched institutions, but their potential for changing the world through the challenge of ideas is formidable.

As Rose Wilder Lane said (and I quote her loosely), American energy has been thrown into the whole world situation and as a result has smashed the empires, damaged all governments and nearly all social institutions outside this country (and many within it), and set everyone on earth who can to thinking about the basic principles of human nature and human relationships. Untold millions of people who had taken for granted (as their ancestors always did) collectivism and social classes, are encountering the new ideas of individualism, human equality, and liberty. The whole world is stirred as a hornet's nest is stirred by a stick. There's nothing but confusion, destruction, and wreckage. Confusion is the beginning of greater wisdom (or less ignorance). Destruction is the essential obverse of construction; the new building begins on the destruction of the old one.

Human *life* as such is indestructable while this planet lasts and it is indubitably true in history that human knowledge increases in time. It is impossible, in the nature of mankind, that the revolution for human rights will not transform the whole human world on this earth, in time. You and I may, or may not, live to see the first great accomplishments of the revolution, but our children assuredly will. ◻

Roger MacBride was the 1976 presidential candidate of the Libertarian Party. In addition to being an author and attorney he was co-creator of the NBC series "Little House on the Prairie."

Out of the Living Room

The movement has grown up; it's time to put aside bickering, and start working in the real world.

by Murray Rothbard

TEN YEARS! In some ways, it seems like a lifetime ago. In those ten years, American politics and culture have radically and irreversibly changed. Not the least of those changes is the birth and flowering of the libertarian movement, a process which REASON, as the longest-lived libertarian magazine, helped immeasurably to achieve. Ten years ago, all the libertarians in the country could fit comfortably into a medium-sized living room; now we are a large, growing, and multifaceted movement, making an increasingly vivid impact on American thinking, attitudes, and institutions.

In the last few years, I have become increasingly convinced that this rapid and astonishing growth of the libertarian movement is no flash in the pan, but rather that liber-

tarianism is destined to have a widespread and deepening influence on American life. More: that we are on the road to the victory of liberty.

Let us contemplate the drastic changes in American attitudes toward policies and institutions that were sacrosanct only 10 years ago. For example:

It is not a "sellout" to work with nonlibertarians.

The public school. Ten years ago, the public school system was above criticism; anyone even mildly critical was treated as a social leper. Now, the public school system is under widespread attack from all ends of the ideological spectrum. It is increasingly recognized that the public schools (a) don't teach, (b) are often centers of crime, of violence, (c) create social conflicts by imposing uniformity on children in their areas; and (d) are just plain too expensive. All over the country, school bonds are being turned down by the voters, an unthinkable event a decade ago.

Social Security. Ten years ago, the Social Security system was right up there with public schools in the public hagiography. Any criticism was considered an attack on the aged. But now, even the Establishment acknowledges what a few free-market critics have said all along: that the Social Security system is bankrupt, that it is several trillion dollars in the hole, and that it is in no sense worthy of the honorable name of "insurance."

Victimless crime laws. The idea that the State is supposed to compel people to act in accordance with various canons of morality is now being increasingly discredited. Apart from considerations of libertarian principle, laws against marijuana, gambling, pornography, and sexual activities simply cannot be enforced, and attempts to enforce them only lead to corruption, black markets, and selective harrassment. All this is becoming more and more recognized by the public.

Global intervention. The Wilson - Franklin Roosevelt policy of global intervention and crusading was taken for granted by most Americans in the mid-1960's; but now the failure in Vietnam has brought about much sober caution and rethinking by Americans. Both domestic and foreign intervention is now more and more seen as counterproductive.

The FBI. Ten years ago, the FBI and its director, J. Edgar Hoover, were literally revered in America, and were beyond public criticism. No one cared much about the widespread invasions of civil liberty conducted by the FBI and other secret intelligence arms of government. But now, after Watergate, all this is changed, these agencies are being subjected to careful scrutiny, and J. Edgar Hoover has been at least retrospectively toppled from his pedestal as public idol Number One.

Watergate and the Presidency. This brings us to the most important desanctification that the last decade has brought us. The President was on the way to almost absolute power in America, and the magic phrases "national security" or "executive privilege" or just "the President wishes" were covers for all manner of unconstitutional tyranny. But with Watergate, all that has changed. No one any longer considers the President as sovereign, no one now considers him above the law, and no one holds impeachment to be an unthinkable and obsolete weapon against him. But best of all, Watergate—as politicians continue to mourn—has ended the blind trust of Americans in government that had infected them for so many decades. Everyone now has a healthy distrust and skepticism toward politicians, bureaucrats and their designs. And thanks to Bert Lance, even Jimmy Carter's born-again cardigan sweaters have not been able to reverse the tide.

So—we have a new and growing libertarian movement in America, and we have a new social and political climate of Americans who are now open and sympathetic to libertarian solutions and directions. Where should we go from here?

Libertarians should realize that we are now large enough to put into practice in our own movement the principle of the division of labor which we champion for society at large. In other words, not every individual or organization or magazine has to—or can—do everything. There is room in our movement now for a variegated set of institutions: for core organizations and periodicals that will refine and disseminate libertarian theory; for a libertarian political party that cleaves to principle in pointing to the goal and the means of rolling back statism in American life; and for ways for libertarians to exercise great leverage in our society by reaching and working with allies for specific libertarian goals. In short, not only is it *not* a "sellout" for libertarians to work with non-libertarians in accomplishing specific goals (e.g. repeal of a property tax or of a drug law), but this is the *only* way that these goals can be accomplished. By working with such allies, libertarians not only exercise great leverage, they also help to "widen the consciousness" of the public by showing how libertarianism offers a uniquely consistent political creed that applies to all the vital issues of the day. Libertarians, in fact, have a remarkable opportunity to do this, since we can, on different issues, find allies all across the increasingly obsolete left-right spectrum. (For, happily, there are few people who are in favor of government domination of *everything*.) Part of our strategy is to demonstrate that libertarians are beyond "left" and "right," that we are, if I may be facetious, "above" that one-dimensional line altogether.

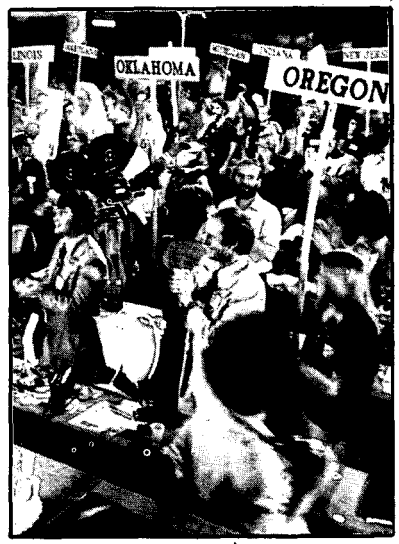
And so now that we are out of the living room, now that we have a mature movement, we must act accordingly. We must realize that, contrary to *Pogo*, the "enemy" is *not* "us" but statism. We must realize that we don't have to agree on every fine point, on every syllogism and lemma, before we try to advance our cause in the real world. We must not return to the old "living room" ways of the 1960's when any libertarian with a different view of strategy or tactics was condemned as a degenerate. We must realize that we are a diverse movement, with people of different interests, abilities, and strategic visions that are capable of working harmoniously toward our common goal. Fruitless bickering can be a lot of fun, especially for those who are not personally involved. But something a lot more serious than an evening's entertainment is involved. We have the glorious opportunity of helping to bring about the triumph of liberty in America. Let's not blow it. ◻

Not every organization or magazine has to do everything.

Contributing Editor Murray Rothbard is on leave from his teaching position at the Polytechnic Institute of New York, pursuing research and writing at the Cato Institute. A new paperback edition of his For A New Liberty *is scheduled for release later this year by Macmillan.*

The Road to Liberty

A Brief History of the Modern Libertarian Movement



BY DAVID F. NOLAN

WHERE TO BEGIN with a chronicle of the modern libertarian movement? Libertarian thought, after all, has strands going back for centuries—to Aristotle and Lucretius, at the very least.

Our own American Revolution was rooted in libertarian ideals. Its leaders envisioned a society "conceived in liberty" and predicated on the concept that all men are endowed with "certain unalienable rights"—including life, liberty, and the pursuit of happiness.

Somewhere along the way in the two centuries since that revolution, those ideals were betrayed. Almost as soon as the new republic was launched, the process of erosion began. And by the middle of the 20th century, the libertarian vision had largely been abandoned, swept aside by the rising tide of statism during the years of the Depression, World War II, and the following Cold War era.

LONE VOICES

Fortunately, there were a few brave souls who stood firm during those years. The names H. L. Mencken, Albert Jay Nock, Frank Chodorov, Garet Garrett, Rose Wilder Lane, Vivien Kellems, and John T. Flynn come to mind. Yet if we must pick a single event marking the beginning of the present-day drive for human liberty, it would probably have to be the publication of Friedrich Hayek's stinging indictment of totalitarianism, *The Road to Serfdom.* That classic treatise, published in 1944, concluded with these words: "If in the first attempt to create a world of free men we have failed, we must try again. The guiding principle that a policy of freedom for the individual is the only truly progressive policy remains as true today as it was in the nineteenth century."

In *The Road to Serfdom,* Hayek threw down the gauntlet and challenged all the world's slavemasters and would-be slavemasters. And only now, a third of a century later, is that challenge reaching its climax—for in its early years, it moved with disappointing slowness.

The kickoff of the new offensive was the establishment in 1946 of Leonard Read's Foundation for Economic Education. Through its seminars and publications, FEE began the arduous task of spreading the ideas of liberty to a populace steeped in the rhetoric of the New Deal and wartime nationalism. The results were of incalculable import. During the next 20 years, countless thousands would be converted to a profreedom viewpoint by reading the *Freeman.*

In 1948, FEE was joined in its efforts by Willis Stone's National Committee for Economic Freedom (later to become the Liberty Amendment Committee). The approaches taken by the two organizations were complementary. FEE concentrated exclusively on education, while Stone's group vigorously promoted a constitutional amendment to bar the government from citizens' economic activities and

to repeal the federal income tax.

(In retrospect, the Liberty Amendment crusade assumes an odd significance. For while he never even came close to getting the amendment ratified, Stone managed to get resolutions of endorsement from seven state legislatures, and, in the process, reached millions of people with his abolitionist message. In the 1950's and 1960's, the Liberty Amendment Committee provided a "home base" for many proto-libertarians, including Roger MacBride and myself.)

The early fifties did not provide an auspicious climate for the spread of libertarian ideas. The American left was intent on maintaining and expanding the programs of the New Deal, while the right was obsessed with the threat of World Communism.

This was the era that saw the Soviet Union of mass-murderer Stalin attain the capability to launch a nuclear holocaust, even while the United States was locked in a war with the Communists in Korea. Civil Defense was the order of the day, and civil liberties, as well as economic freedoms, were given short shrift. Joseph McCarthy rose to prominence by exploiting the fears of a nation that had seen one madman narrowly prevented from world conquest; the threat of a repeat performance seemed all too real. Anyone who challenged the Divine Right of the US government to do whatever it proclaimed necessary was ridiculed as a crank or accused of treason.

In 1955 the hawkish "New Conservatives," led by McCarthy apologist William F. Buckley, Jr., launched the publication that was to serve as the flagship of the American right for the next 20 years—*National Review*. In its early days, *NR* made a token effort to enlist the support of libertarian and classical liberal spokesmen, but the areas of philosophical disagreement proved too great. For despite lip service to free enterprise, the *National Review* crowd was motivated first and foremost by anti-Communist fervor and a devotion to moral codes derived from religious dogma. In any conflict between these values and the undiluted principles of individual liberty, liberty came out the loser.

LAYING THE GROUND

Fortunately, there were other developments under way. 1956 saw the establishment of Robert LeFevre's Freedom School in Colorado Springs. LeFevre had been active in a religious cult called the "I AM" movement in the 1940's and brought with him considerable promotional expertise. The Freedom School was never to attain the degree of success enjoyed by "I AM," but over the next decade, LeFevre initiated thousands of Americans into his own anarchopacifist variety of libertarian belief. (In the late 1960's, the Freedom School was dissolved. A successor institution, Rampart College, had a several-year existence on the West Coast.)

Far more important in the sequence of events leading up to the present-day libertarian movement was the 1957 publication of Ayn Rand's *Atlas Shrugged*. Despite critical disdain, *Atlas* became an immediate bestseller, and its sales have continued unabated since its first release. In this sprawling, 1,168-page novel, the Russian-born author set forth a coherent philosophy of rational self-interest that seized the imaginations of thousands of young people and produced the first sizable contingent of unabashed procapitalist militants in over 30 years.

"If in the first attempt to create a world of free men we have failed, we must try again," declared Hayek in 1944.

Rand's scathing attacks on mysticism, altruism, and collectivism found their greatest acceptance on college campuses. By the early 1960's, there were Randist groups at most universities, and socialist-leaning professors suddenly faced an increasing minority of students who were both willing and able to challenge the prevailing social-democratic assumptions.

In 1962, Rand began publishing the *Objectivist Newsletter* (later simply the *Objectivist*) and launched the Nathaniel Branden Institute (NBI) to further the dissemination of her Objectivist philosophy in greater depth. Publications ranging from the *Saturday Evening Post* to *Cosmopolitan* and *Playboy* ran feature articles on Rand and her following, and it became increasingly evident that a new social force was in the making. (Proof that the libertarian movement owes much of its impetus to Objectivist teachings showed up in 1972, when respondents to a "movement survey" named Rand and Branden as the two individuals who had most influenced their thinking. Ludwig von Mises, Murray Rothbard, and Henry Hazlitt were the three closest runners-up.)

By 1963, the Objectivist "new wave" began moving into the realm of political action. Hundreds, perhaps thousands, of Rand-oriented college students joined the Young Americans for Freedom—*while thousands more*, along with many past college age, became involved in the presidential campaign of Sen. Barry Goldwater.

THE HARD CORE

The Goldwater campaign was an exciting time. It brought together a large number of profreedom people and gave them their first taste of political activism. After, and despite, Goldwater's resounding defeat, many of them wanted to remain politically active. The vehicle frequently chosen was William Buckley's Young Americans for Freedom. YAF had served as the youth arm of the Goldwater campaign, and numerous Objectivist-oriented college students joined the organization during the years 1963-67.

They soon found, however, that their "extreme" views placed them at odds with the more traditionally oriented conservatives ("trads") who made up the bulk of YAF's membership. Still, it seemed there was nowhere else to go at the time, so the phalanx of young libertarian conservatives—as many called themselves—worked within the YAF framework. Slowly, they built up a network of contacts while continuing to promote their "radical" views.

One proto-libertarian contact-building effort within YAF was the Liberty Amendment Committee National Youth Council, which I set up in early 1965 under the auspices of Bill Stone's Liberty Amendment Committee. The LACNYC served as a focal point for the "hard core" in YAF—the real government-haters. Its membership was never very large; its mailing list, barely over 500 at peak. But that 500 included virtually every libertarian and semilibertarian in YAF—which was to prove quite important in time.

Even while the new advocates of capitalism and freedom were getting their feet wet in political activity via YAF and the Goldwater campaign, they were also venturing into publishing. The years 1964-65 saw the debut of several Objectivist-oriented and proto-libertarian publications, including *Left & Right, Freedom's Way*, and *Innovator*. Most of these were short-

lived, but every time one died off, another seemed to spring up in its place.

By 1966, the Vietnam War had supplanted domestic issues as the main element in America's political debates, and the strains between conservatives and libertarians were increasing. Libertarian YAF members found themselves in an uncomfortable position. National YAF was vigorously supporting an undeclared war where the regime we were defending seemed little better than its Communist enemies, and young people were being conscripted to go off and risk their lives in this dubious battle. LBJ imposed a surtax on the income tax to finance the war. The libertarians found it very hard to go along.

Atlas Shrugged seized the imaginations of thousands of young people and produced a sizeable new contingent of procapitalists.

On campus the New Left began raising its often-ugly head, but when YAF chapters helped block the antiwar demonstrators' access to university buildings, libertarians found themselves, strangely, manning the barricades to defend government property.

In "Listen, YAF," Rothbard urged true proponents of freedom to abandon YAF and "breathe the clean air of freedom."

The cracks were widening.

Another bone of contention between libertarians and conservatives was so-called morals legislation. Conservatives were livid at the increasing use of marijuana and greater sexual freedom; libertarians favored a laissez-faire policy in these areas, as well as in economic matters.

The growing gap between conservatives and libertarians was revealed by their respective reactions to the publication in 1966 of Robert Heinlein's *The Moon Is a Harsh Mistress*. This story of a future libertarian revolt on the Moon was an instant hit with libertarians, who now found themselves sharing a culture hero with the hippie movement, which venerated Heinlein for his earlier *Stranger in a Strange Land*. Conservatives found the book disturbing, as it was, well, so *revolutionary* in tone.

And so, when libertarians and neo-Objectivists began to gain control of local YAF chapters—and even whole state organizations—in 1966 and 1967, the conservatives at the top began to crack down. Quite plainly, their attitude was, "It's OK for you guys to be fellow travelers, but you gotta stay in the back of the bus, and leave the driving to us."

The libertarians weren't buying it. At the 1967 YAF convention in Pittsburgh, the conflict burst into the open at the national level.

CRUMBLING ALLIANCES

In the elections to be held in Pittsburgh, the National Office's choice for chairman was one J. Alan MacKay of Massachusetts, a hard-line traditionalist. His only challenger was John Sainsbury of New York, an amiable but weak-kneed fellow who was inclined toward peaceful coexistence with libertarians and proportional representation on the National Board. At a meeting in New York shortly before the convention, Sainsbury agreed to put two or three libertarians on his eight-man slate of candidates for the National Board and also agreed to support a resolution putting YAF on record as endorsing the Liberty Amendment. In return, the libertarians and LAC members agreed to suppport Sainsbury against MacKay.

At the convention, the National Office pulled out all the stops to crush the Sainsbury-libertarian alliance. They refused to seat duly appointed committee members, registered bogus delegates who promised to vote trad, and stifled debate on the floor. Sainsbury and his "unity slate" went down to crashing defeat. The Liberty Amendment resolution, and other libertarian-leaning resolutions including one calling for decriminalization of marijuana, were killed in committee. In fact, except for one thing, the convention was a complete disaster.

That one glimmer of light was the establishment of a Libertarian Caucus. At a meeting called by Dave Walter and Don Ernsberger, a number of libertarians and neo-Objectivists agreed to keep in touch after the convention; there was talk of working further within YAF to "liberate" the organization and of starting "our own organization" as well. Some 88 people put their names on a sign-in sheet, and a few weeks later a copy of that list was sent to everyone who had signed up.

After the convention, things simmered down for a while. In the summer of 1968, I received a mailing from Jarret Wollstein; apparently, it went to all who had signed up for the Libertarian Caucus the year before. Jarret announced his intention of forming a new, specifically libertarian organization and asked for support. I wrote back and, after visiting him in October, gave him my mailing list of 500-plus names from the then-just-dissolved LAC Youth Council. Using this list, along with the Libertarian Caucus list and others, Jarret launched the Society for Rational Individualism (SRI).

1968 was a significant year in other ways, as well. REASON magazine also began its existence that year. And, of course, there was the Rand-Branden breakup. (The rift within Objectivist ranks went even further back, though. Jarret Wollstein's attempt to spread the Objectivist word through a lecture series had been officially denounced from within Rand's inner circle; and several admirers of Rand, including John Hospers and Tibor Machan, had for various reasons been blackballed.)

Some of the more zealous Objectivists suffered great traumas over the parting of the ways between Ayn Rand and Nathaniel Branden. Most of the "new intellectuals" took it in stride, however. Many of the active thinkers of the movement went "independent" and became quite productive on the intellectual front. Branden moved from New York to California and set up a book service, Academic Associates, and no great harm was done.

Perhaps the most significant effect of the Rand-Branden split was that it broke the near-stranglehold that Objectivism had thus far held on the emerging libertarian movement. Freed from the cloistered environment of Objectivist study groups, the new movement began exploring other pro-freedom thinkers in far greater earnest. Attention was paid to the writings of such 19th-century figures as Lysander Spooner, Benjamin Tucker, Josiah Warren, and Max Stirner. And the ideas of the 20th century's greatest anarchocapitalist theorist, Murray

Rothbard, finally started getting deserved recognition.

1969, ST. LOUIS

In 1969, Rothbard began publishing the *Libertarian Forum*, hot on the heels of the recently launched REASON and Wollstein's *Individualist* (called the *Rational Individualist* for its first few issues). All of a sudden the new movement had, not one, but three significant publications. As the first year of the Nixon era wore on, libertarians stepped up the pace of their activities. SRI chapters sprang up around the country, while members of the Libertarian Caucus began preparing for the next national YAF convention, to be held in St. Louis in September 1969.

Two weeks before the start of that fateful convention, Murray Rothbard published an "open letter" in the *Libertarian Forum*. Entitled "Listen, YAF," Rothbard's letter urged true proponents of freedom to abandon the conservative organization, to "get out, form your own organization, and breathe the clean air of freedom." "Why don't you leave now," Rothbard exhorted, "and let the F in YAF stand for what it has secretly stood for all along—fascism?" And whether or not his accusation was justified, that is precisely what happened. The St. Louis convention marked the point of no return in the divergence between conservative and libertarian politics.

The Libertarian Caucus members arrived in St. Louis determined to turn YAF into a more libertarian-oriented organization. Among their demands were changes in the group's statement of principles (substituting the phrase "Young Americans for Freedom" for the existing "young conservatives" in the preamble and adding "domestic statism" after the words "international communism" in the section describing the menaces to liberty that YAF was fighting—hardly ultraradical demands!); elimination of appointed board members; and the institution of a requirement that no state chairman could be dismissed without a two-thirds vote of the National Board. In addition, they planned to introduce several libertarian resolutions, similar to those defeated in Pittsburgh two years earlier.

They fared no better than they had in '67. National YAF was having none of it, and by mid-convention, relations between the trads and the libertarians had deteriorated into open hostility. The final straw came when one libertarian burned his draft card, denouncing the draft as "Selective Slavery." The trads were outraged.

When it became evident that YAF would remain "forever trad," a sizable contigent of libertarians walked out of the convention, staging a "March to the Arch." Underneath the 600-foot-high stainless steel Gateway to the West, they declared their independence from YAF and pledged to form the new organization Rothbard had called for. The new movement, conceived in Pittsburgh two years earlier, was born!

Photo by Lynn Kinsky

Participants in the 1970 Left-Right Festival of Mind Liberation discuss the issues

ON THE UPSWING

Events moved rapidly in the months following the schism in St. Louis. The Libertarian Caucus merged into SRI to form the Society for Individual Liberty (SIL). In October there was a libertarian conference in New York, featuring Murray Rothbard and Goldwater-speechwriter-turned-anarchist Karl Hess. The following month saw another conference on the West Coast, under the auspices of Rampart College. And in early 1970, nearly 600 libertarians turned out for a "Left-Right Festival of Mind Liberation" held at the University of Southern California; this attendance record was not to be surpassed for more than six years, with the LP convention in Washington, DC.

Perhaps the greatest significance of the festival was that it marked the first major coming together of activists from both the New Left and the New Right of the 1960's. Even while YAF had been undergoing the traumas of the libertarian-conservative split on the right, an analogous process had were disenchanted with the 1970, a sizable number of New Leftists become disenchanted with the stale Marxist panaceas championed by their comrades and were looking for an alternative. They found it in libertarianism, and one of the first to make the transition was Carl Oglesby, founder of the Students for a Democratic Society. Oglesby spoke at the festival and was well received. A left-oriented group, the Radical Libertarian Alliance, began making converts. The "rightist orientation of the movement was rapidly changing.

There were, of course, significant differences in some of the views held by radical and conservative libertarians. Those with a right-wing background saw the State as an instrument of coerced social-welfare programs, while those from the left saw it as a cat's-paw for the big corporations. Right-wing libertarians were inclined toward a minimal-government society, while the leftists leaned toward anarchism. And these differences remain a point of contention with the debates aired in the various magazines and journals and at meetings and conferences. All were in agreement, however, on one key point: the State is our greatest enemy!

Libertarian conferences blossomed throughout the spring and summer of 1970. (At one of them, Robert Nozick made his appearance, declaring his libertarianism but criticizing Objectivism.) Radical libertarian Sam Konkin began publishing *Laissez Faire*, which later evolved into *New Libertarian Notes* and then into *New Liber-*

tarian Weekly. Murray Rothbard's *Power and Market* was released by the Institute for Humane Studies. (IHS, via publications, conferences, and fellowships, has been a steady supporter of scholarship within libertarian ranks.)

The first major project of the new libertarian movement was the Census Resistance effort launched by SIL. The federal government had decreed that all Americans must answer numerous questions about their personal lives as part of the 1970 census survey, and SIL led the effort to make compliance voluntary. This drive was not successful, but it generated considerable publicity for the burgeoning movement. By year's end, write-ups began appearing in major "mainstream" publications—*Nation's Business, Newsweek,* and the *National Observer.*

Early in 1971 the *New York Times* carried two pieces on the new movement—one in its Sunday magazine and one on the Op-Ed page. *National Review* countered with an indignant blast, denouncing the *Times* for dignifying the libertarians with such attention. It was obvious that Buckley & Co. were not pleased to see a challenge to their status as "the" opposition to the liberal orthodoxy.

Meanwhile, the libertarian movement continued to gather steam on the intellectual front. In January 1971, the *Individualist* published my article "Classifying and Analyzing Politico-Economic Systems," which rapidly became a widely quoted and reprinted piece. The article's unique contribution was a two-axis "map" showing the relative ideological positions of liberalism, conservatism, libertarianism, and totalitarianism. For the first time, libertarians could quickly and graphically illustrate what made their philosophy different from all others. Of even greater import was the publication of John Hospers' *Libertarianism,* the most comprehensive—and comprehensible—treatise on libertarian ideas ever released.

But 1971 is best remembered for the debut of three new libertarian organizations.

One was the New Right Coalition, a Boston-based group located between SIL and YAF on the ideological spectrum; NRC lasted only two years but set new standards for quality in the material that they issued.

The second group was the National Committee to Legalize Gold. Almost single-handedly, it was responsible for the drive that resulted in the repeal of the Roosevelt-era legislation depriving Americans of the right to own the yellow metal. NCLG was hard-core libertarian in its orientation, and the eventual relegalization of gold ownership in America was a triumph for libertarian political activism.

STARTING THE PARTY

The third major libertarian organization to appear in 1971 was, of course, the Libertarian Party. Conceived in Colorado that summer in reaction to Nixon's imposition of wage-price controls and demonetization of the dollar, the LP was officially launched on December 11, 1971. In the years since, the party has grown to become the mainspring of the movement.

The LP's beginnings were humble—five people gathered in the living room of a small duplex.

Its beginnings were humble—five people gathered in the living room of a small duplex, determined to create a political vehicle for all Americans who are consistently profreedom in their beliefs. By December, nearly 100 like-minded individuals around the country had been enlisted in the new venture. To get the party off the ground, it was necessary to change the minds of many people—for example, neo-Objectivists—who doubted the wisdom of a separate party or even of direct political activism. The rapidly growing REASON saw an issue to be discussed. In January 1972 REASON ran an editorial (reprinted in one of the first flyers sent out by the party) endorsing pluralistic efforts in behalf of securing liberty. In May, an article "The Idea of a Libertarian Party" appeared.

It now appears increasingly likely that we will indeed achieve "freedom in our time."

The LP grew rapidly in its first months—to 250 by the time of its first press conference in late January, and to nearly 900 by June of 1972, when the first LP convention was held in Denver. At the first convention, the fledgling party adopted a Statement of Principles (modified very slightly at its third convention in Dallas in 1974) that is widely accepted as the best, most succinct statement of libertarian beliefs ever drafted. And the man who created that statement—John Hospers—was chosen as the LP's first presidental candidate. Hospers' remarks on the occasion, as well as the Statement of Principles, were reprinted in REASON's September 1972 special issue, "Libertarian Politics and Issues," which also saw the first of REASON's Libertarian Party Correspondent reports.

During the five months between the LP convention and election day, Dr. Hospers and his running mate, Tonie Nathan, crisscrossed the country, carrying the libertarian message to the public. With a late start, the Hospers-Nathan ticket was on the ballot in only two states—Colorado and Washington—and as a result, the vote total received in that election was small: about 5,000, counting write-ins.

Nonetheless, the campaign was worthwhile. In the process of campaigning, Hospers and Nathan received over a hundred radio and TV interviews and countless thousands of column-inches of newspaper coverage. An estimated 10 million people were exposed to libertarian ideas, and LP membership more than doubled, to about 2,000.

The greateset payoff, however, came six weeks *after* the election. On December 18, 1972—one year and one week after the party's founding—a Republican elector from Virginia cast his electoral college vote for Hospers and Nathan, as a protest against the policies of Richard Nixon. That elector, of course, was Roger MacBride, and by his action he single-handedly, overnight, doubled public awareness of the LP. It was a glorious climax to a vintage year in the history of the libertarian movement.

The following year, 1973, brought more exciting developments. That spring, SIL inaugurated its annual Tax Protest Day activities, and public awareness of libertarianism was given another boost. The military draft expired on June 30, partly as the result of libertarian lobbying efforts. The LP held its second annual convention in Cleveland. Marshall Bruce Evoy

launched the Libertarian Party of Canada. And the American LP flexed its fast-growing muscles in the New York mayorality race, with a good-sized slate of candidates led by the attractive and articulate Fran Youngstein for mayor. She ended up receiving nearly 9,000 votes—a hair short of the number tallied by all four other "minor" candidates combined!

GROWING PAINS

While all this was going on, the LP continued to grow apace, passing SIL as the largest libertarian activist group. In November, *Penthouse* magazine carried a major feature article, "Zero Government: Anarchy on the Right." Nathaniel Branden's Academic Associates went out of business but was replaced by Bob Kephart's Books for Libertarians and by Laissez Faire Books in New York. (Branden, throughout this time, lent active support to LP efforts, often speaking before libertarian groups and party conventions.)

In the publishing field, the period 1971-73 saw newsletters and magazines come and go at a dizzying pace. Some lasted only an issue or two, while others hung on for a year or more. Among the entries were such colorfully named publications as *A Is A, Outlook, Protos, Sol III,* the *Fire Bringer, New Banner,* and *Zeitgeist.* It was a time of overextension, and one of the wipe-outs was Jarret Wollstein's *Individualist,* a perennial victim of financial mismanagement; fortunately REASON was able to fill the void and provide SIL members with a regularly issued, high-quality publication.

1974 was a year of troubles for the libertarian movement. The extreme radical wing of the movement, led by Sam Konkin of New York, saw its influence waning and was determined to stage a major battle at the LP convention in Dallas that June. Konkin formed an alliance with Eric Scott Royce of Virginia, who had stated his intention to run for the party chairmanship, and announced that a horde of radicals would descend on Dallas and either take over the party or destroy it. Throughout the spring, Konkin's *New Libertarian Notes* carried a series of blasts at the "party-archy"—his term for the LP National leadership—and predicted a massive confrontation. The "radical caucus" proved to be a paper tiger, however. Royce received only 19 percent of the vote for chairman, and it was evident that the LP was now the leading force in the movement.

And yet, the LP did not do as well as it had hoped in 1974. Scores of congressional and local candidates entered the fray, but usually to little avail. Vote totals were almost universally far short of overoptimistic expectations. The lesson was clear: don't expect too much, too soon.

1974 brought good news, as well, however. For the first time, an American president was forced to resign from office, and public faith in government reached a healthy low point. Australian libertarians launched the Workers Party in that country. And on December 31, 1974, it became legal for the first time in a generation for Americans to own gold.

The next two years saw libertarian fortunes rising again. No sooner were the '74 elections over than libertarians began preparing for '76—and the results were impressive. Nearly 500 participants showed up for the LP nominating convention in New York in 1975—a substantial increase from the 300 present in Dallas.

Roger MacBride handily won the presidential nomination on the first ballot but immediately ran into difficulties over the choice of a running mate. Convention rules allowed the presidential candidate to veto any prospective running mate, and when it became evident after the first ballot that the VP nomination was likely to go to tax resister Jim Trotter, MacBride exercised his veto option, arguing that the news media would "crucify" the LP if it nominated a lawbreaker—however unjust the law in question. Delegate reaction was hostile, but a hasty recess allowed tempers to cool, and the following day Dave Bergland of California was chosen as MacBride's running mate.

GOOD NEWS

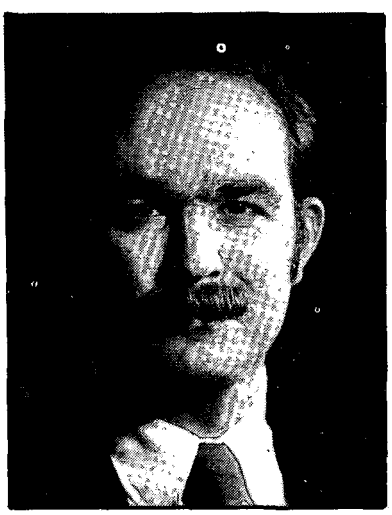
The campaign that followed was the largest and most successful project ever undertaken by the libertarian movement. The MacBride-Bergland ticket achieved ballot status in 32 states—more than any other ticket except the Republican and Democrat. By election day, the LP had achieved recognition as the nation's leading third party. Media coverage was spotty on the national level but excellent on a local basis; by the end of 1976, most Americans were at least dimly aware of libertarianism and what it stands for.

One measure of the campaign's success was the final vote total—some 183,187 votes, or nearly 40 times the 1972 figure. Nationwide, MacBride and Bergland outpolled all other third-party candidates, achieving their best results in Alaska, where they garnered approximately six percent of the presidential vote.

In 1977, the movement continued to maintain its momentum. *Libertarian Review* (the successor to *Books for Libertarians*) emerged as a professionally produced libertarian publication. Over 1,000 people turned out for the sixth annual LP convention, held in San Francisco. Speakers included such well-known public figures as Eugene McCarthy and Timothy Leary, plus foreign-policy authority Earl Ravenal, COYOTE leader Margo St. James, and Russian exile Julia Boski.

As we move on to 1978, there is no doubt that the events set in motion by Hayek's 1944 challenge are still rolling. The LP now has approximately 10,000 members. REASON's circulation is approaching 20,000. And a multitude of libertarian-oriented issue groups, including the Association of Libertarian Feminists, the Association for Rational Environmental Alternates, and libertarian legal and medical associations, are fast making headway.

The tide of statism is still running strong, to be sure. There is no doubt that we still face serious challenges. But it now appears increasingly likely that we will indeed achieve "freedom in our time." ◻



With a history of leadership in conservative organizations, in 1971 Mr. Nolan set up the Committee to Organize a Libertarian Party. He then became temporary national chairman of the Libertarian Party and served on its national Executive Committee through 1976.

Reminiscences & Prognostications

10 Key Libertarian Activists Discuss the Significance of the Movement They Helped Build.

The setting: the elegant Sheraton-Palace Hotel in San Francisco. The occasion: the annual convention of the national Libertarian Party. Gathered for the occasion were close to 1000 people, including many of the key activists who had led the growth of the libertarian movement over the past decade.

Several months before, it had occurred to Dave Nolan what a unique opportunity this convention would present. Why not bring together these key people, in one room (some of them meeting for the first time), to discuss the accomplishments of the libertarian movement, their own roles in shaping it, and their views on its future course and prospects? REASON *editor Bob Poole agreed, and began sending out letters.*

Consequently, at the close of a long day of seminars, debates, meals, speeches, and socializing, 10 libertarian leaders sat down around a tape recorder to reminisce and prognosticate. The participants:

- ROY CHILDS—*editor of* Libertarian Review, *formerly a key staff member of the Society for Individual Liberty and of its magazine,* Individualist. *Childs' "Open Letter to Ayn Rand" in 1969 ignited the anarchist/limited government controversy.*
- JOE COBB—*presently* REASON*'s Frontlines columnist and active in the Illinois Libertarian Party, Cobb was editor-in-chief of* New Individualist Review, *a classical liberal journal of the 1960's and precursor of today's libertarian magazines.*
- ED CRANE—*president of the Cato Institute and of Libertarian Review, Inc., and publisher of* Inquiry, *Crane spent three years as national chairman of the Libertarian Party during which it grew to become America's third largest party. In the LP's first year Crane served as* REASON*'s LP Correspondent.*
- DON ERNSBERGER—*co-founder of the Society for Individual Liberty, the largest libertarian campus-oriented group. Ernsberger led the Libertarian Caucus out of Young Americans for Freedom at the historic 1969* YAF *convention. He is currently a professor of economics.*
- MARK FRAZIER—*long-time* REASON *contributing editor and libertarian journalist, Frazier currently directs the Sabre Foundation's Journalism Fund and its Space Freeport Project, and serves as executive director of the Local Government Center.*
- MANUEL KLAUSNER—REASON *partner and editor, one-time LP candidate for Congress, talk-show participant, world traveler, and practicing attorney with one of Los Angeles' biggest law firms.*
- CHARLES KOCH—*chairman of Koch Industries and president of the Fred C. Koch Foundation, Koch plays a key role in a number of libertarian institutions. He is chairman of the Institute for Humane Studes, director of the Cato Institute, and a member of the Mont Pelerin Society.*
- DAVE NOLAN—*founder of the Libertarian Party, its first national chairman, and a guiding force on its executive committee for its first five years. Nolan's activism dates back to the early 1960's, including* YAF, *Youth for Goldwater, Young Republicans, and the Liberty Amendment Committee.*
- ROBERT POOLE—REASON *editor and partner, Poole dates his activism to 1964 when he and Nolan were classmates at* MIT. *Currently a columnist for the National Taxpayers Union and 150 newspapers, Poole also serves as president of the Local Government Center.*
- DAVE WALTER—*with Ernsberger, founded the Society for Individual Liberty in Philadephia in 1969, merging the* YAF*-spinoff Libertarian Caucus with Jaret Wollstein's Society for Rational Individualism. Walter and Ernsberger are now* SIL*'s co-directors. Walter teaches high school history and government.*

With 10 such people all in one place, the talk went on and on, punctuated by good-natured ribbing and ideological

Photos by Bruce Lagasse

Clockwise from left: Don Ernsberger, Dave Nolan, Bob Poole, Roy Childs, Mark Frazier, Dave Walter, Joe Cobb, Ed Crane, and Manny Klausner

confrontations. The initial transcript ran to nearly 25,000 words—practically enough for a book. Somehow, copy editor Marty Zupan was able to cut and prune, through several slimmed-down drafts, to arrive at the 7000 words presented here.

DAVE NOLAN: This is a panel discussion on the libertarian movement and its prospects, by some of the people who have been making it possible. The first question is, Where do you see the "movement" as being today?

DAVE WALTER: I see it essentially still building from its base. I know there've been figures bandied about of its doubling every two years, but we're still small enough that we're talking about building the intellectual base of the movement.

ED CRANE: Well, I think the party and the movement are poised to accelerate their growth. Almost everybody here got started from the right wing, but that's changing dramatically. Most people coming into the movement now are coming from the left, particularly young people.

NOLAN: Which I think is very good, because it's giving a needed balance.

CRANE: Well, it's not just balance. The right wing is atrophying for good reason, and if libertarianism is going to succeed as a political movement in this country—and it *is* a political philosophy despite the fact that many people don't want to admit that—we're going to have to attract support from the left. And I see the movement developing a certain professionalism now and starting to make inroads in the left with people like Earl Ravenal and John Marks speaking at the Libertarian Party Convention this year. I view that leftward drift of the movement as very helpful. Maybe "leftward drift" is the wrong phrase to use but....

The other thing that I think is very important, and which I really view as the cutting edge of the movement at this juncture, is Austrian economics. Because from a political standpoint, the phrenology that is being put forth by the Keynesians and the Friedmanites is an excuse for the politicians to control our lives. Most of the legislation coming from Washington is based on economics, and on misguided economic theory. And if we get Austrian economics to grow to a sufficient degree, then it is going to be harder and harder for the politicians in Washington to justify what they're doing.

ROY CHILDS: I'd say that the Libertarian Party, particularly since 1975, is the only institution in the movement with a clear-cut sense of direction and purpose. The movement in general is in a state of intellectual disarray, with the exception of a small number of people at the top. I attribute this to the youth of most libertarians and the fact that they have been astonishingly bad at what I call intellectual entrepreneurship—that is, the spotting and defining of issues and knowing the appropriate ways to capitalize on them and promote them.

DON ERNSBERGER: Well, I think, realistically, the libertarian movement today is extremely, extremely small in its effect and in its development. The main satisfaction that I see is not in the area of politics, but in what Ed Crane said, and that is primarily in the fact that when you look at the graduate schools, you see large numbers of people coming out with Austrian backgrounds in economics, coming out with libertarian credentials, becoming teachers and professionals. I have never felt that politics at this point in history is going to have much of an effect on where we're going.

NOLAN: I'd like to offer a counter to that. I see us as being at the stage where we are in the very earliest days of what you might call "going public." We've spent anywhere from 10 to 30 years, depending on where you mark the beginning, developing theory and educating people in libertarian theory and expanding our ranks. And we are now, I believe, at the point where we do have a large enough number of people, where we

are just about to explode onto the public consciousness and make tremendous strides at picking up support from left, right, and center—from people who see that the Leviathan State is eroding their liberties, restricting their options, and generally making their lives considerably less wonderful than they otherwise could be. We've done our homework. Now we have to put it into practice.

CRANE: I just want to interject something quickly so it doesn't appear I'm agreeing with Don. A lot of the growth on campus I view as clearly a function of the growth of the Liber-

Dave Nolan *Roy Childs*

tarian Party, and it boggles my mind that people who are committed to the movement still do not recognize the efficacy of political action, because it has clearly spurred the growth of the movement more than any other aspect.

JOE COBB: One thing that I see very clearly at this moment is that we have reached a first-level plateau. We've run a candidate for president, we've established a nationwide party—although if you look at the party closely, you have to be possibly frightened, because the local parties in the states are just pitiful. I don't know of more than two states that have anything that will be able to do the job in 1978. It's tragic and frightening. On the other hand, we were in exactly the same point of disarray prior to the 1976 campaign, and we did it; so I know it *can* be done. One thing that worries me now, having gone through two campaigns in Illinois is that the people that were very active and most useful in the 1976 MacBride campaign hardly lifted a finger for the Chicago mayoral campaign in early '77. We had new people, but now they're burnt out, and I would be astonished if they lifted a finger six months from now. And it's this constant turnover that frightens me.

CHILDS: This points back to an important thing—the issue of professionalism. They're burned out because they're not being paid, because they're not. . . .

CHARLES KOCH: You're stealing my line!

CHILDS: This is a very important point. I've known thousands of libertarians, and I've seen dozens of incredibly intelligent, young people drift out because they could not make a career or living in promoting liberty.

KOCH: As to this question of where we are today, I guess I'm an optimist in the group. I've suffered through over 10 years of a lack of professionalism, of having someone take on an assignment, either a management assignment or a scholarly assignment, and not perform. But today we have a growing number of people who are willing and capable of carrying out these assignments. So I think the libertarian movement is going to explode in the next few years.

CHILDS: And reality has been enormously kind to us in the past few years. Everything that we have been saying for 20 years would happen, has; and people are beginning to recognize that fact.

NOLAN: Atlas *is* beginning to shrug.

CHILDS: In Western Europe, socialism is crumbling; communism's successes have been set back in many parts of the world; intervention domestically and in foreign policy has not worked, and many people are beginning to rebel against control of their own life styles. And these are facts of reality which we are recognizing and using, and they're very important.

NOLAN: Before we plunge forward, I'll just review some of the historical trivia that I realized for the first time about a month ago. I had not realized until Watergate was highlighted in the newspapers that by sheer and pure coincidence—I assume—the founding convention of the Libertarian Party occurred the same weekend as the Watergate break-in.

CRANE: Is that right?

MANNY KLAUSNER: I'll drink to that.

WALTER: That's incredible.

BOB POOLE: I want to add a footnote about the movement. There's an aspect that I think is very important now, that didn't exist five years ago. Five years ago, the movement was mostly students and people who had recently been students who were gung-ho, enthusiastic, and in touch with each other through organizations like the early LP or through SIL. But I think what we have now is a group of people that have infiltrated and gotten themselves into careers and positions in all the institutions of our society—in the media, in corporations, even in the federal government and in state and local governments; and these people are in touch with one another and give each other information, refer each other for jobs. This kind of thing, I think, is very significant for the future, for getting our ideas into places where they can do some good and getting people in touch with them.

COBB: That's one point that I want to underscore. I think the most important thing the Libertarian Party itself does is to generate a crystallization point for what I call a cadre consciousness. People who are doing their professional thing and are sympathetic to libertarian ideas—who themselves may not be active in any way, shape, or form—read about the party, know that the party exists, and identify themselves with the idea that there is a libertarian *political* movement. Now there is a tragic gulf that exists between those party people who are sort of crazily wasting their time—because it doesn't pay off, at least not in the immediate—and those people in the establishment who do identify with the libertarian goals and who then are in a position to be able to actually do something for it. Bridging that gulf is one of the most important things we have to do in the next few years.

CHILDS: The Libertarian Party is the only institution in the movement with a clear-cut sense of direction and purpose.

NOLAN: We're sort of segueing at this point into the next question, which is, What do you see as our greatest strength and our greatest weakness?

ERNSBERGER: I'll start with strengths. As I said before, I think the greatest strength is the appearance of libertarians

teaching in universities. The great weakness that bothers me is that the day will come when we're not going to be able to say, "Well, we tripled membership again this year."

CHILDS: I think we're going to grow more quickly than ever, in part because of professionalism and in part because, for whatever reason, people like Joe Cobb and Ralph Raico who for many years were relatively inactive have once again become involved. Our greatest strength is really the vast genius of our Founding Fathers, so to speak; they just pushed us in the right direction. I think that we have the capacity to grow very quickly as we incubate such traits as the ability to speak well professionally in public and to write. By learning a bit about the tools of the trade and propaganda, we can keep doubling and tripling, and we can turn this country around completely, to a minimum State and a noninterventionist foreign policy and a full respect for civil liberties, in 20 years.

NOLAN: I very much agree with you, Roy, which is perhaps kind of funny, because we very often disagree.

CHILDS: We only disagree on foreign policy.

NOLAN: We don't even disagree that much on foreign policy.

I see our greatest strength as being the point that you raised earlier—that reality is on our side. So people are becoming more willing to accept what we say and listen to it seriously as they see our prophecies and our theories proving true. Our greatest vulnerability, our weakness, is that while we're riding that crest of media acceptance and public acceptance at the moment, and picking up steam, there is the possibility that the media will decide to ignore us, or a temporary setback could turn us into a downward spiral.

CHILDS: Reality is on our side. The question is, can we be entrepreneurs and take advantage of it?

KOCH: Let me amplify what you said, Dave. Our greatest strength is that our philosophy is a consistent world view and will appeal to the brightest, most enthusiastic, most capable people, particularly young people. But to realize that strength, we have to state it in a radical, pure form. Now, if we don't, if we temporize, if we state it in a conservative form, then we're going to lose the appeal of that. And the temptation is particularly great because the other side of that is our greatest weakness; that is, because we have a radical philosophy, we don't appeal to people who are in positions of influence, people with status or wealth. We don't have business people, for example. So the temptation is, let's compromise, let's temporize, let's be much more gradual than we should be. As a result, we could destroy the appeal to the comers of this world, and therefore we destroy the movement.

COBB: If you look at the party closely, you have to be frightened, because the local parties in the states are just pitiful.

NOLAN: This sounds like a setup for Bob Poole.

POOLE: Well, I want to resist responding to that at this point, because I want to get on with what I think is our greatest weakness. It is underestimating the difficulty of the job and of being too superficially glib about what it takes to change the entire culture—and I think *that's* what we're up against.

NOLAN: What about our strengths?

POOLE: I think our greatest strength is our philosophy. I agree with that completely, it *is* eminently saleable; *but,* I think it's a much bigger job. There's an awful lot of homework that hasn't really been done in working out the implications and applications of our principles to all the really knotty, tough problems in our society and in our world.

KOCH: Well, I agree with that, Bob. I didn't mean that we had completely worked it out.

Ed Crane *Manny Klausner*

POOLE: OK. But a lot of our younger people tend to think that it *has* been all worked out and that all you need to do is go out and put it on a few posters and then in five years we'll have the job done. I think maybe that's why we get this burnout phenomenon. They see only a two percent or one percent vote total and they get completely demoralized, because they thought it was going to be easy—and it's *not* easy.

WALTER: I think our greatest strength so far has been the ability to resist the temptation to water down our philosophy and to continue to dare to be utopian and to provide a view of an ideal world. And our greatest weakness is related to the burnout problem, and that is, as people burn out, you start reaching out for more and more other people, and they're often brought in with minimal education. In the New Jersey LP, for instance, I ran into some people, running as candidates, who had not even read anything beyond a few handouts.

KLAUSNER: I think the greatest strength of the movement is the various institutions that have evolved—the periodicals, the LP, the Austrian economics within academia, the Cato Institute, the Center for Libertarian Studies. In addition to the institutions, the individuals—the people in this room, for example—are one of the signal strengths of the movement. It's all going to coalesce; all these things are coming together in a way that we've never really seen before. As far as the weaknesses, I think it's what Dave indicated—the problem of education. We can't move too fast in terms of becoming a mass movement, because we're not just selling an easy product; we're selling intellectual ideas that really have to be assimilated and evaluated and understood by people.

CHILDS: I'd like to comment on that. We need to take off the gloves; we need to cease being afraid of emotion. I think statism, in this country, at least, is a paper tiger. Things can be turned around very quickly, but we have to be willing to go all out if our battle for the survival of individual liberty is to be won, not just in this country but on this planet. We ought not to be afraid of reaching peoples' emotions. The survival of the human race is no academic matter. It is a matter for the involvement of the feelings of us all, and I think that too much of an objective, unemotional stance, partly brought about by

the extent to which we rely upon an academic approach to things, is very much at fault for our not growing quicker.

MARK FRAZIER: Well, as I see it, the greatest weakness we face is a misreading of how the public comes to its stand on issues. I'd say for 90 percent of the people, they don't do it on the basis of any integrated world view. They don't even respond to people who propose a consistent ideology or framework for thinking. They tune out. Our greatest challenge now is to come up with ways of increasing people's personal, everyday experiences with the free market working.

Mark Frazier and Dave Walter

And for this reason, I think we must start thinking in terms of gradualist approaches to problems—to show them that privatization of, say, their garbage services, will deliver it better, at 60 percent savings. These are the sorts of experiences I think we have to build on.

CHILDS: I think that's a proposal for a 2,000-year plan to win. I think we can go much quicker.

NOLAN: Next is kind of an open-ended question. Where do you see the movement—and the United State, for that matter—going, both in the near term and the long run?

CHILDS: We have a chance to turn things around very quickly. We've got to be quick in responding to events and learning how to capitalize on them. We need to study the success of other movements and use propaganda techniques—let's not be afraid of the word; all it is is advertising. We ought to state the truth boldy, clearly; hold up a bold banner with bold colors, to steal a term from that old statist, Ronald Reagan. And I think we can bring the American people under our banner very quickly and turn this country and this planet around.

POOLE: We should do all those things, but I don't think it's going to turn anything around quickly. One of our problems is of being much too glib about it.

CRANE: Bob, it seems that you're throwing radical and glib together as being synonymous, and I don't see that as being the case. If we're going to start a movement for social change, we definitely have to be radical. It seems to me that any attempt at gradualism is counterproductive. We don't realize how close we are to making breakthroughs—for example, in education and economics—and that it's the gradualist approach that eventually prevents us from making the breakthroughs.

I didn't comment earlier on what I think is our greatest weakness, which, it seems to me, is the time we have available to us. We're faced with a statist juggernaut, and it's getting much stronger, and it's kind of a race for time. Because of that, I think that gradualism is all the more foolhardy.

CHILDS: The worst thing about gradualism is that it is boring, and boredom is not a prescription for victory.

POOLE: Well, I think I must respond at this point. I'd like Ed to clarify, What do you mean when you say "gradualism"? because you may mean something different from what I mean.

CRANE: Gradualism is getting excited about the efficacy of lime-yellow fire engines. The point is, government has no business in the fire-putting-out area, and the fact that the government granted a monopoly to a private company that comes up with some entrepreneur who would like to buy a lime-yellow fire engine is totally irrelevant to the fight for liberty.

Let me make one other point that I wanted to make earlier. We talk about 90 percent of the people not really being affected by this integrated political philosophy. That's really not that relevant. If we can get the 10 percent who are affected by that sort of thing, we'll be amazed how readily the other 90 percent come to see the light.

POOLE: I hope that kind of thing is true.

KOCH: I keep making this point over and over again, that any successful movement, or any movement with any staying power, has to have a significant core of dedicated, professional people. And the gradualist approach does not attract these types of people.

POOLE: You're *not* going to attract dedicated, hardcore, good thinkers by lime-yellow fire trucks I quite agree with that. When I talk about gradualism, I tal about what you *do* with the principles you have, how you apply them to a specific program. I don't advocate watering down our principles. We should be radical in our principles and clearly state what they are and make as exciting and attractive a case as we can for our libertarian theory and political principles. But we are failing to attract more than a few percent of voters, of average citizens, because of the way we fail to *translate* those principles into specific programs that they can relate to in the present political context. I think if we use the principles to establish step-at-a-time programs that don't frighten the average citizen and that show real progress in a direction that is in the self-interest of the individual citizen, we'll get a lot further. We'll be taken seriously as providing an alternative that is real and that's responsible.

ERNSBERGER: It's been my observation that the American culture never accepted an idea, a social movement, without taking years and years of considering it and gradually moving toward it. Now that's true of movements in our history that we look at favorably and movements that we dislike. And as a result, I tend to be pessimistic about any short-term victory for libertarianism—and maybe even long-term. Unless we go out of our way to be as radical as possible, we are never even going to get to the first step, which is to develop the cadre that other people have spoken about. If we don't ever develop that cadre, should historical conditions come together in such a manner that radical change *is* possible, we're not going to have anything to seize that opportunity with. We'll have nothing but a group of people who understand very

NOLAN: We need to package our radical, utopian vision in such a way that the average American would say, "Hot damn, that's a good deal."

pragmatic kinds of approaches.

KOCH: Bob, do you distinguish in this application between advocating gradualism and applying radical theory to specific technical situations or applications? For example, with Social Security, we can be very radical and say, "Abolish Social Security"—not on some general principle such as nonaggression, but by analyzing in detail how it doesn't do any of the things that proponents say, and so forth. Or we can say, "Well, it's very complicated, and therefore we have to one-percent-a-year move out of Social Security."

POOLE: Well, I think we should be radical in the sense of attacking the whole idea, the foundation, of Social Security in principle, and also do the kind of detailed analysis that you talked about. We can analyze the Social Security system and say it never should have been set up, that it's immoral for various reasons, it's economically unsound, etc., etc. And then I think we should come up with some type of phase-out program for getting rid of it. But to just say, as I've heard libertarians say, "Abolish it," comes off as completely frivolous, as not being a serious alternative.

NOLAN: A lot of people at this point, I think, realize that the things they are clinging to aren't working, but they just aren't yet convinced that we have a better solution. So we need to learn to take a fully coherent and highly radical, in the true sense of the word, platform and package it attractively, and this is what Roy called using a shining banner. We have a radical, utopian vision. We need to package it in such a way that the average American would say, "Hot damn, that's a good deal," and will vote for us or support us rather than clinging to some rotting pile of statism.

CRANE: Let me interject here. You used the word utopian several times, and other people have too. I really don't visualize libertarianism as being appropriately sold as a utopian vision. It's a *just* vision. I don't really know what utopia is.

NOLAN: O.K. It may be a bad word.

CRANE: I really think it is.

COBB: Part of this discussion that we have been going through revolves around a confusion between how something is done and what happens in the process of trying to do it. For us—the party, the movement—a clear, radical vision and radical proposals are very important. The *effect* of our actions will be gradual change. Now we ourselves should not advocate gradual change, because we are in no position to actually cause change by directly laying our hands on the process and moving the pieces. It's really for the nonlibertarians out there who are attracted to us but troubled by our radicalism to come up with the gradual proposals.

CRANE: Libertarianism shouldn't be sold as a utopian vision—it's a *just* vision.

FRAZIER: That's exactly the point that Milton Friedman has made—that the Libertarian Party has the potential to do what the Socialist Party did to the political spectrum. The Socialist Party never got more than eight percent of the vote, but it shifted the Democrats and the Republicans to the left. But I'd add one thing, which is that the Fabian approach to politics also seems to have an effect. And the question is whether we want nonlibertarians to be directing the transition programs, the gradualist programs that everyone concedes will take place—whichever model you have, the Socialist model or the Fabian—or whether we want to see libertarians in the position of trying to direct these transition programs.

COBB: But would the Fabians ever have come into existence if the Marxists had not preceded them? And the important question now is, Are we, by analogy, the Marxists of the movement or the Fabians? *I* think that the Fabians are yet to come and that we have to be the hardcore ones. This is not to say that we shouldn't have people out there doing the background research on what the gradualist programs should be, so that when the gradualists come up and say, "Gee, the libertarians were right, morally correct, and so forth, and we do have a problem here—but I'm scared," then we can have a Fabian libertarian walk up and say, "Try this halfway measure."

KOCH: We have a radical philosophy, and the temptation is, let's compromise, let's temporize, let's be much more gradual.
POOLE: I don't advocate watering down our principles; when I talk about gradualism, I talk about what you *do* with the principles.

KLAUSNER: Well, I'd like to say that it's a strength of the movement that it is not really monolithic. The people in this room, for example, all came to this movement differently, and not all of us, I would emphasize, through an immediate, abolitionist, radical approach. I think the gradualism question really is a marketing issue, and the question is, What's the most effective way, both in the short and long run, to market our ideas in a meaningful way? And that may involve both.

CRANE: I think it's important to distinguish between how one becomes a libertarian and how one attracts others to it. I certainly became a libertarian in sort of a gradualist manner, but I did so because I read radical libertarians, because I read people who are *not* gradualists.

FRAZIER: Why is it mutually exclusive to have libertarian Marxists and libertarian Fabians—by analogy, of course?

CRANE: Well, I think it's a false dichotomy.

POOLE: No. Not at all.

KOCH: I'm not sure it's applicable to libertarians. The Fabian movement was one of infiltration in the government, and by that very process it helped expand government; that was their objective. I'm not sure that's a workable strategy for libertarianism, which is trying to decrease government. We've seen libertarians go into government. We've seen the Milton Friedmans and the Alan Greenspans in government, and they haven't decreased it; they've helped say, "How can this work more efficiently?" which in the end expands

government. It is particularly tragic in their case, because they perhaps were very effective when they were out of government. But *in* government, they get co-opted; they become spokesmen for it and emasculate the opposition.

NOLAN: And even help legitimize it.

KOCH: Absolutely.

FRAZIER: When the chairman of the CAB is a person who believes in abolishing his agency and goes in a gradual way to ease up on the regulation, I think this is an example of how you can have an abolitionist point of view but provide a gradualist reform which shows the public that when you get regulation off the airlines to a limited degree, the prices go down. Now the next guy who comes along says, "We should have more deregulation, because look what happened when we deregulated this much." That person is going to be more credible than the guy who comes along and says publicly, "We're going to abolish it overnight." We've got to recognize that people working from within, the Fabian approach, are not going to be in a position to accomplish the ends that we want if they do that. So there's a division of labor.

WALTER: What libertarian is going to go underground and pretend to have other views in order to worm his way in as head of the CAB, which is an appointed post?

COBB: That's a backward perspective. The person who is already in there discovers after a period of time....

FRAZIER: Our challenge now is to come up with ways of increasing people's everyday experiences with the free market working.

CHILDS: That's a proposal for a 2,000-year plan to win.

WALTER: That's right. So he's probably going to be a Republican or Democrat or middle-of-the-roader or something. He's probably going to pick up his ideas from what we do outside the government in a radical manner.

NOLAN: In view of time limitations, I move that we go on to our next general topic which is, Are you optimistic or pessimistic about the future, and why?

WALTER: I used to sign my letters "Freedom in our time." I stopped doing that, because I've become pessimistic. I don't think that in the next 35 years we're going to be able to stop the juggernaut, because in the time it takes to stop it, it's going to go on a little further toward statism. Too many people are status quo. They're too conservative.

COBB: What I see in the next dozen or two dozen years is a situation of enormous risk. In other words, it could go either way. It could be that field conditions are right, our people do the right things, we do the right things, the general populace catches on and begins to recognize that the libertarian solutions to their problems work, and things go uphill all the way and, you know, life is beautiful. On the other hand, we could find a war coming up because Carter pulls some trick to get himself reelected. We could observe a runaway inflation. We could observe a collapse in the Social Security system. Look at what happened to New York City a few days ago with the power blackout. That sort of thing could happen all over the country in the next 10 years. The whole system is very fragile, and a series of collapses that politicians then attempt to solve in their usual way will lead the whole country down the path of ruin very rapidly, and we won't be strong enough to rescue it.

CRANE: Well, I'm a screaming optimist, and I guess part of the reason is that I'm not an intellectual. I really think that ours is an idea whose time has come. I think we all tend to underestimate the historical context of our movement. The American Revolution was the first libertarian revolution in the history of mankind. The backsliding toward statism, and the monarchy-type government that existed in all the thousands of years prior to that, is not so really shocking. And it seems to me that this is the first time—even the leaders of that revolution did not have the ideas as well thought out as we do right here in this room. Those ideas were powerful enough to create that original revolution. They're even more powerful now, and we have mass communication to get those ideas out. I think that we tend to underestimate the mass population and that there are lots of reasons for optimism.

NOLAN: I have to second Ed's position in that I, too, am an optimist, but I've sort of gone through the reverse trip of what Don and Dave have gone through. They say they were more optimistic and now they're becoming more pessimistic. Six years ago when we started the Libertarian Party, although I had hopes that we would be successful, I was really somewhat pessimistic. Everything I've seen since then confirms what Roy Childs said, that the State really is a paper tiger. This juggernaut is about to lose one of its treads—the Social Security system—and I think when it does, we enter that period of risk that Joe talked about, but at that point I think it becomes, if not 50-50, at least close to 50-50. We were talking 100-to-1 odds only a decade ago. I think it is now down, maybe, to one chance in three of success. The odds are still stacked against us, but they're improving all the time.

POOLE: The most likely forecast is not that the libertarian movement will succeed in a grand sense or fail in a grand sense. I wish to God—I wish to Rothbard—that I could agree with Ed's optimism. But I really can't. The most likely thing is that we'll achieve successes in some areas and we won't in other areas. We will help along things like deregulation and decriminalization of victimless crimes, deregulation of regulatory agencies, and maybe we'll help do something about Social Security and a few other things, but I think in an awful lot of other areas we probably won't be successful in the next 10, 15, 20 years. And we'd better resign ourselves—no, we shouldn't *resign* ourselves to that. But if you want to be realistic about where things are going, I think it's much more likely to be a mixed bag of successes and failures.

ERNSBERGER: In fact, I think I can speak for Dave, Bob, and myself in that we really hope we're wrong, that we can sit down 25 years from now and just listen to this tape and Roy Childs can say, "See how right I was?"

KOCH: Well, as I said before, I'm wildly optimistic. I think that the State is going to grow exponentially and the loss of our liberties is going to grow exponentially, and at the same time, the movement is going to grow even faster. I don't know what's going to happen in my lifetime, but we're going to have some exciting times, and it makes me excited and optimistic.

NOLAN: I'm with you.

KLAUSNER: I'm extremely optimistic. The prospects are tough; it's an uphill task; but we're growing by leaps and bounds. I remember that 10 or 15 years ago people used to

(*Continued on p. 55.*)

The Impossible Takes a Little Longer

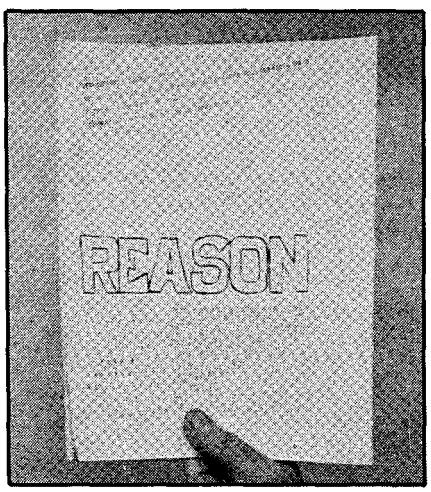
A Brief History of REASON Magazine

EXACTLY 10 YEARS AGO, in May 1968, a six-page mimeographed publication appeared on the campus of Boston University. Its name was REASON. Its price: 10¢. Its three brief articles reflected the concerns of the day: violence, racism, and poverty.

More unusual than its contents was the new publication's credo, which appeared on page 2:

> Introducing REASON: We accept the responsibility that others have defaulted on. Others preferred to smear the issues with irrelevancies and falsifications. We don't. Others preferred to be incomprehensible and incoherent. We don't. Others preferred to ignore your mind. We won't.
>
> When REASON speaks of poverty, racism, the draft, the war, student power, and other vital issues, it shall be reasons, not slogans, it gives for conclusions. Proof, not belligerant assertion. Logic, not legends. Coherence, not contradictions. This is our promise; this is the reason for REASON.

Clearly, this was more than just another campus throwaway. What 20-year-old journalism student Robert Lawrence (Lanny) Friedlander had in mind



Volume 1, Number 1 (May 1968)

BY ROBERT POOLE, JR.

was a whole new kind of magazine.

A REAL MAGAZINE

A second issue appeared, hard on the heels of the first, followed by a three-month (summer vacation) hiatus. But publication resumed with Volume 1, Number 3, in September and continued each month through May 1969, to end the first volume with 11 issues. The first volume saw two people added as staffers—David Narlee and Peter Neilson—and the cover price increased to 25¢. Subscriptions were offered—at nine issues for $2. And across the country a grapevine of fledgling libertarian and Objectivist student groups began to learn of REASON's existence. By April 1969 there were 250 subscribers.

That first year brought several of the magazine's future principals into the fold. In March, Friedlander put out a request for a chemist and for someone in aerospace to research articles on the FDA and drug development and on the effects of the CAB and the FAA. Lynn Kinsky (chemist) and Robert Poole (aerospace analyst), both subscribers (and married at the time) responded with article proposals. And Friedlander spotted in the *Personalist* (a journal edited by John Hospers) an article titled "Justice and the Welfare State" and wrote to the author, Tibor Machan, requesting permission to reprint it.

Over the summer of 1969, Friedlander made plans for Volume 2. REASON's second year would feature a major expansion into "a general format high-quality magazine with printed interiors and perhaps twice as many pages." He spent weeks at the

design department of nearby MIT Press, learning about sans-serif typefaces, ragged-right margins, and the spare, clean "Swiss style" layout then becoming popular. The result made its debut in September 1969, with Poole's "Fly the Frenzied Skies" as its cover story.

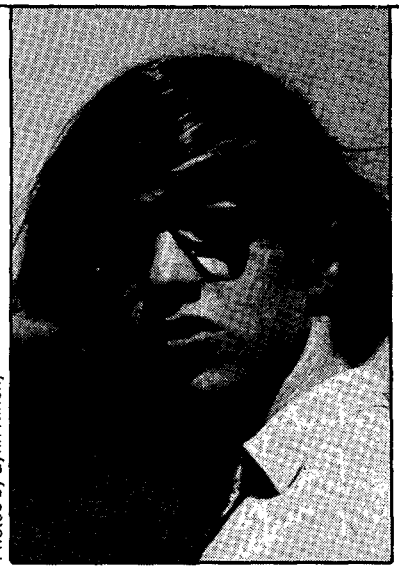
The effect of this issue was electrifying—and not merely to the egos of Poole and Friedlander. Here, for the first time among libertarians, was a magazine that looked and felt like a *real* magazine—one that showed promise of living up to the ambitious credo of its inaugural issue. In Boston, Mark Frazier and Ann Kotell joined the (unpaid) production staff. In Connecticut, Poole decided that, despite his career in aerospace, he was going to get involved in making the magazine a success. He and Kinsky went to Boston to meet Friedlander, spending an interesting but frustrating weekend. Interesting because of exposure to Friedlander's many plans and ideas; frustrating because of his obvious lack of business and organizational ability.

By that time (November 1969), Poole and Kinsky had already decided to move to California that winter. Friedlander put them in touch with Machan, who had just graced the pages of REASON for the first time and who was living in Santa Barbara, the site of Poole's new job. The four—Machan, his then-wife Marilynn Walther, Poole, and Kinsky—soon became good friends.

During 1970, REASON's new, printed issues continued to appear, but at increasingly long intervals. Circulation increased to 400 and the price was finally raised, to 12 issues for $5. Even so, the income was never really sufficient to cover the costs. As contributing editors, Poole and Machan were worried. They spent many long, pleasant evenings in Machan's hillside house overlooking the lights of Santa Barbara, imagining what it might be like if there were a magazine of the kind REASON aspired to be, as a significant intellectual presence in America.

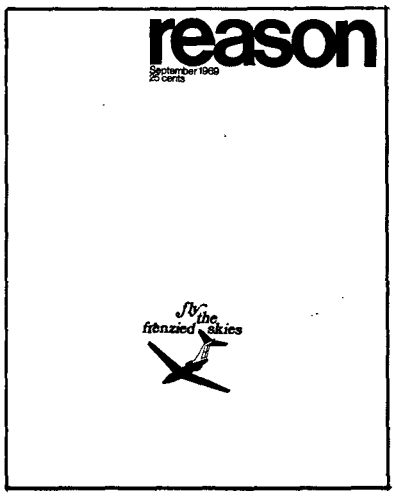
REASON IS BORN AGAIN

It wasn't long before the combination of excitement over this potential and worry over REASON's survival led to action. Poole and Machan produced a 46-page proposal for an expanded REASON magazine, including a two-year marketing plan aimed at reaching a circulation of 6,500 and showing a profit by the 24th month. They mailed



Photos by Lynn Kinsky

REASON's founder Lanny Friedlander



First printed issue, September 1969.

it out to about 20 potential investors and waited for the money to come rolling in. Well... the net result was a $400 gift and $1,250 in loans—not exactly the typical magazine start-up capital.

Here, for the first time among libertarians, was a magazine that looked and felt like a *real* magazine.

By this point, two more people had gotten involved in the project. Poole's MIT roommate, Jim Weigl, had signed on as business manager. And Los Angeles attorney Manuel Klausner, having heard Machan's weekly KPFK radio commentaries, contacted him and was asked to join. The six—Poole, Kinsky, Machan, Walther, Klausner, and Weigl—decided to form a partnership, buy REASON from Friedlander, and hire him as editor. Despite the lack of success at raising start-up capital, they plunged ahead, bootstraps-style, each putting up $300 to add to the gift and loan already obtained.

Enter Nathaniel Branden, in a crucial role. The key concept in the Poole-Machan business plan was direct-mail advertising to mailing lists having a high probability of favorable response. Most of the partners' initial capital would be risked on the first mailing, and if it failed, they would be out of business. *The* prime mailing list for their purposes was the 65,000-name list compiled over the years by Nathaniel Branden Institute—the organization that from 1959 to 1968 had offered lecture courses on Objectivism across the country. Obtaining permission to rent Branden's list was therefore essential to the magazine's success. Many other people had similar ideas, and it was well known that Branden was very cautious about allowing the list to be used. Fortunately, from reading the business plan and talking with Machan, he decided that Reason Enterprises was a worthwhile endeavor and agreed to rent the list.

In September 1970, Friedlander spent a week in California attending a conference on political philosophy organized by Machan and John Hospers. Friedlander and the partners of Reason Enterprises reached an agreement on transferring ownership of the magazine and signed a contract hiring him as editor for the first six months. On December 1 the first 5,000 promotional letters for the new magazine went into the mail. And then the wait began. The first order came in on December 8, a second on December 9, then five more on the 11th... and by the end of the month the total had reached 150—a three percent response. Reason Enterprises was in business.

The next job was actually producing the magazine. None of the partners knew anything about typesetting, layout, printing, or any of the other aspects of magazine production. And Friedlander, Frazier, et al. were back in Boston, not within helping distance. Fortunately, the southern California

The original partners of Reason Enterprises: Poole (1971), Klausner (1972), Weigl (1971), Walther (1971), Machan (1972), Kinsky (1976).

libertarian community at that time included an aspiring young publisher, Leon Kaspersky, who was even then producing a monthly underground libertarian newspaper, *Protos*. Kaspersky offered to teach the partners layout and to arrange for the typesetting and printing—a deal that all parties found beneficial. So it was that Poole, Kinsky, Walther, Machan, and Weigl spent from 9:00 P.M. to 5:00 A.M. one December night laying out the January 1971 issue in a typesetting shop somewhere in Long Beach. That issue, which carried a message from the new owners, marked a resumption of regular monthly publication—and a permanent change in the partners' lives, which would thenceforth be shaped by the demands of editing and producing a new issue every month, 12 times a year, like clockwork.

TAKING OFF

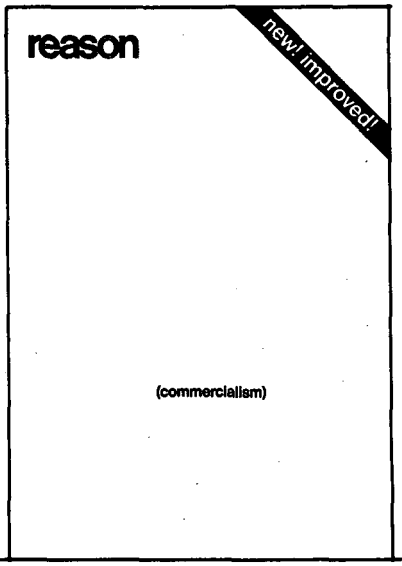
REASON's first year in California was marked by heartening growth. Friedlander and Frazier, from Boston, obtained articles from and conducted interviews with a number of notables—John Holt, Robert Rimmer, Jay Forrester—leading to impressive features in the magazine. And a major breakthrough came when Nathaniel Branden consented to be interviewed. The libertarian/Objectivist world had been buzzing with rumors about Branden's break with Ayn Rand three years before. After one brief statement from each at the time, nothing more had been made public.

Branden's interview was welcomed as—and proved to be—a major scoop. Circulation was already at 1,000, based on several small mailings to Branden's list, and the partners decided to go for broke. With the interview on tape, and operating completely on credit, they cranked up a mailing to the remaining 52,000 people on the list and won big, with a response that topped three percent. REASON was now on the map. An office manager was hired and the mailing list computerized to handle the surge of growth.

With the Branden interview on tape, and operating completely on credit, the partners decided to go for broke with a big mailing.

REASON was never to experience another year of sixfold growth, but 1972 and 1973 saw a more-or-less steady expansion—with one notable exception. Flushed with the success of the Branden mailing, the partners incautiously rented the entire 48,000-name list of another well-known libertarian organization (now defunct) and sent out, *without* testing it, a mailing. The result was disaster—a response of less than half a percent, including an alarming barrage of hate mail. Sorely chastened, and humbled by the experience, the partners retrenched, appreciating the need for cautious empiricism in addition to intelligent hypotheses regarding who will buy what.

First California issue, January 1971



Following that debacle, consultant Donna Rasnake helped develop a series of direct-mail approaches that appealed to several audiences—libertarian groups on the one hand and hard-money book buyers on the other hand—and these sustained the magazine during the balance of 1972 and 1973. An interview with Harry Browne in the fall of 1972 helped sell the hard-money people on subscribing to REASON. That year also saw the beginnings of the Libertarian Party, an organization that REASON encouraged via exchanges of advertising, a special issue put together by Klausner (September 1972), and a regular LP correspondent's report. The magazine added another thousand or so subscribers when the *Individualist*, the magazine of the Society for Individual Liberty, folded early in 1973, and REASON arranged to take over its unfulfilled subscription liability.

By the end of 1973 REASON had grown large enough to employ a professional subscription fulfillment house, Media Selection Corporation, to handle that end of the business, significantly improving such operations as billing and renewals and enabling REASON to enter the list rental business. The arrangement was fortuitous, for the company's president, Jim Lance, was also experienced in direct-mail work and became REASON's principal promotional mailing consultant.

His direct-mail efforts aimed at hard-money investors added some 4,000 subscribers in 1974, bringing circulation nearly to 12,000 by year's end.

GROWING UP

A key element in the success of these campaigns was REASON's special financial issue. This concept—of a special issue offering investment commentary based on free-market and hard-money principles — originated with two young leaders of the fledgling Libertarian Party: Bob Meier and Ed Crane. Working closely with Poole, they contacted authors, sold ads, and helped generate bulk orders for the May 1974 Special Financial Issue—a 140-page behemoth that introduced REASON to a much wider circle of people and has since become a REASON tradition. (Meier and Crane, of course, later went on to key leadership roles in the growing Libertarian Party.)

The years 1975 and 1976 were something of a plateau for REASON. The magazine was at an awkward size, with circulation fluctuating between 12,000 and 15,000 throughout. It was too small and financially shaky, the partners thought, to justify any full-time, paid editorial staff, too large to survive for very long solely on volunteer efforts. Somehow, REASON struggled through those two years, overcoming partnership frictions and attrition. (By 1975 the partnership had dwindled to three—Klausner, Machan, and Poole. Friedlander had lost interest and never participated beyond his original six-month contract.) Producing the magazine as a hobby, in addition to their regular careers, had become quite a burden to the three remaining partners. It was a feat to keep the magazine coming out, and there was little time to dream up and implement innovations.

In mid-1976 the magazine received a shot in the arm when Mark Frazier reappeared on the scene. Having graduated from Harvard and worked a year and a half on a New Zealand newspaper, Frazier moved to Santa Barbara, eager to get REASON back on the growth curve. Though he soon became involved in a variety of other projects, his presence had a catalytic effect on Poole. They brainstormed on artwork, headlines, articles, publicity, fund-raising, etc., leading to a number of improvements. Material was solicited and editing of articles was stepped up. In an important move, the partners decided to hire Poole as editor on a half-time basis, starting in January 1977. Next came the graphic redesign of the magazine by the new art director, Don Wood. Poole and Wood began an extremely fruitful collaboration on integrating the editorial and design aspects of the magazine, leading to a significantly improved look as of mid-1977. REASON's 1977 promotional efforts were redirected away from hard-money people and targeted more toward groups (such as the National Taxpayers Union) more interested in political and economic issues. New columnists—Edith Efron and Jim Davidson—and several new contributing editors—Thomas Szasz, Eric Mack, Henry Manne, Karl Pflock—joined the staff.

The upshot was substantial improvement in a number of key indicators of the magazine's health. Renewal rates increased by a third, circulation climbed to 18,000, and a number of new advertisers discovered REASON. The early months of 1978 continued these encouraging trends. REASON thus begins its second decade from a revitalized position.

It has weathered financial ups and downs. It has lived through normal partnership falling-outs. It has managed with part-time, spread-across-the-country editors and low-paid contributors. Nevertheless, it has come out, in a process that has on the whole been smooth. Not to be forgotten, it has benefited from the growth of the libertarian movement. Yet it has tried to maintain its journalistic independence, airing the controversies over theory and practice. Its evolution has been guided by the editors' hope of

With the same hope, a little more wisdom, some recent changes, and ideas for progress, REASON embarks on another 10 years.

A Word of Thanks

In writing this history of REASON, the need for brevity meant that a number of people were not mentioned—people who in one way or another played a role in helping REASON to survive and grow. So the purpose of this note is to acknowledge their contributions and publicly express our thanks.

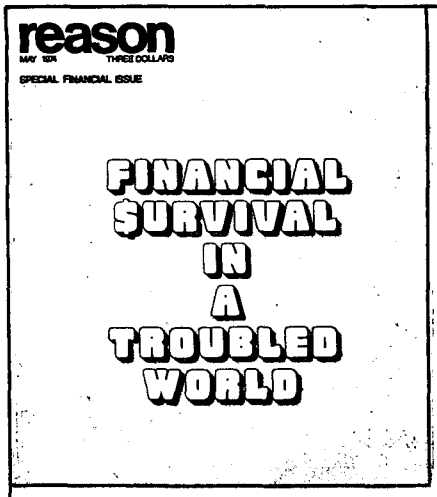
Many individuals have served as staff members, advisors, or suppliers of services, sometimes for free, sometimes for pay—but nearly always at below-market rates. All took part because they believed in what REASON was attempting to do. So our deepest thanks to Leon Kaspersky, Clarica Scott, Hank Hohenstein, Jim Garrison, Lou Rollins, Barbara Yorke, Tom Yorke, Ruth Sutton, Phil Groves, and Allison Hammond. Special thanks are due to Marty Zupan for her dual roles as copy editor and book review editor over the past two years.

In the first few years of REASON's California existence, one of its important sources of security was the long-term commitment of advertising by the Institute for Humane Studies and the Center for Independent Education. Ken Templeton, George Pearson, and Charles Koch of those institutions have been loyal friends and supporters over the years.

At various times since 1970 REASON has made appeals for funds, both privately, to friends, and publicly, to our subscribers. The support of the late Hank Clay and of Stan Abraham, Jim Carey, Shari Elias, Charles Koch, Robert LeFevre, Joseph Coberly, Bruce Lagasse, and the Second Libertarian Church of San Francisco has been greatly appreciated.

In 1973 several hundred subscribers became Reason Associates, contributing $25 to $100 to support REASON's expansion plans. In early 1976 we sent out a mailing to subscribers asking for contributions to help cover our 1975 deficit. And hundreds responded. Most recently—in January—we again appealed to subscribers. Nearly 600 responded with contributions, many of them enclosing letters of advice and encouragement. To say that such a response was moving is an understatement. I only wish I could thank each of you personally. Since it isn't possible, this brief acknowledgement will have to suffice.

For 10 years of support, encouragement, and dedication, I would like to say, on behalf of Reason Enterprises, thank you. —R.P.



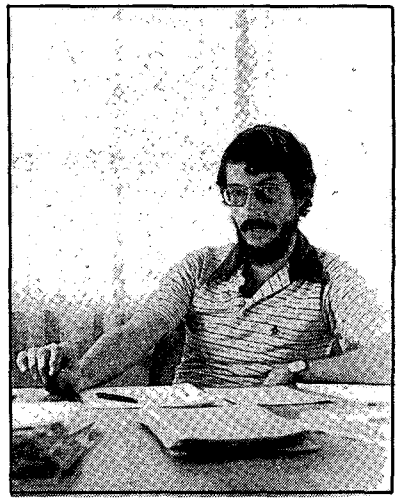
First Financial Issue, May 1974

reaching, not only libertarians, but other reasonable readers. As the editors expressed it in the April-May 1971 issue, starting off Volume 3:

> REASON is addressed to all thinking people, particularly those for whom integrity, independence, and liberty are primary values. It is specifically designed as a means for spreading libertarian ideas among such people, not as part of a "movement" but rather as an expanding intellectual community.

With the same hope, a little more wisdom, some recent changes, and ideas for progress, REASON embarks on its second decade, ready to live up to its founder's high ideals:

> It shall be reasons, not slogans, we give for conclusions. Proof, not belligerent assertion. Logic, not legends. Coherence, not contradiction. This is our promise; this is the reason for REASON. ◧



Bob Poole, editor and part owner of REASON, has been involved with the magazine almost since its inception.

Panel

(*Continued from p. 50.*)

cringe when I talked about decriminalizing marijuana. Now they'll listen seriously and maybe chime in when I talk about decriminalizing heroin and all other drugs. Things are changing very quickly.

NOLAN: What do you see as the threat that we, "the movement," should be most on guard against? Dissipation? Compromise? Co-optation? Sabotage? Cult tendencies? Or what?

POOLE: Well, this will probably sound funny coming from a person with my alleged gradualist reputation. I think compromising our principles is the greatest danger that we face. I really do—precisely because I think it's important for us to be flexible and to not always demand that our programmatic proposals be the ideal that we'd like to see in the future, realized tomorrow morning. Precisely because we have to be realistic about what we propose to *do*, I think it's crucial that we keep our *principles* visible and make sure that we don't allow any hint of compromise to come into those. So I think that's where the need for vigilance is the greatest. We can't give up quality in the search for quantity. We have to maintain our principles and maintain a high standard of leadership.

ERNSBERGER: In a similar vein, I would say that the big threat would be libertarians' sensing that victory is so close that it's worth a few compromises to get to it.

CRANE: My concern is how compromise sneaks up on us, and in my view, therefore, gradualism is the great threat.

COBB: Well, one thing, going back to my earlier reference to risk—one thing I worry about is that at some point we'll bite off more than we can chew.

CRANE: We already have.

COBB: That's not what I mean. For example, sometimes I worry what would happen if, by a fluke, a libertarian candidate were elected governor of a state without having any libertarians in the general assembly of that state. And at that point you have a person that, you know, is really caught in a trap, because if he compromises he throws away everything the party stands for; and if he attempts to govern he makes a fool of himself, because the general assembly will eat him alive. This is the danger. If you're going to take over a state, you have to take over a general assembly first, not the executive. The libertarian headland, I think, for a transition period, would be 49 percent of both houses of the legislature. You could dismantle the State more rapidly than you can believe with 49 percent, and the executive would take all the blame. It would work beautifully. But accidental victory is something that we have to worry about, because it would put us into a compromising situation, one that it would be very hard to get out of.

KLAUSNER: I'm kind of intrigued by Joe's comments. I'd love to see Murray Rothbard as governor of New York State.

CRANE: We've consciously avoided accidental victory.

KLAUSNER: What's the main problem that I see? Probably the limits in terms of manpower and resources. I think that the Libertarian Party is presently the main vehicle to reach the masses, and it's very dependent on a few good people. In the last election, Roger MacBride served us very well as a party and as a movement, but what about the next election? What about the election after that? Time will tell if we will be able to recruit the kind of individual who both has the time, the expertise, the knowlege, the ability, to convey ideas as Roger does and has the finances to mount the campaign.

NOLAN: I see us as being in kind of a funny stage of development. As recently as five years ago I would have seen the greatest danger as being the tendency to go off in a little corner into study groups and never do anything in the world. The creation and growth of the Libertarian Party has pretty much killed off that danger. But right now I see our greatest threat as being the one Bob alluded to earlier, where you get a whole bunch of people coming running in with the idea that we're going to get 20 percent of the vote this election; then when we only get 3 percent of it they say, "Aw the hell with it," and pack up and go home—sort of a false raising of hopes and then getting dashed.

That's it. Thank you all very much. ◧

Reason's Tenth-Anniversary Banquet

Photos by Bruce Lagasse

John Hospers

Mark Frazier

Davis Keeler

Willette Klausner, Mrs. and Mrs. Clyde Packer, Nicole Bergland,

Nathaniel Branden, Poole, Machan, Klausner, Marty Zupan

Speakers at the banquet included Nathaniel Branden (see pp. 58-61), senior editor Tibor Machan, editor Manny Klausner who served as M.C., and editor Bob Poole, shown holding REASON's first issue.

Your 10th anniversary makes you the longest-lived libertarian publication, longer even than the *Libertarian Connection* (if one calls that a publication). I wish you many happy returns, and may all of the publications that we are associated with be more libertarian 10 years from now.

Murray N. Rothbard
Palo Alto, CA

It is really astonishing to realize that REASON will be 10 years old. My heartiest congratulations.

Edith Efron
University of Rochester
Rochester, NY

I send you my heartfelt congratulations and best wishes for continued success.

Thomas S. Szasz, M.D.
Professor of Psychiatry, SUNY
Syracuse, NY

My best wish to you for continued success in the future.

William F. Rickenbacker
Briarcliff Manor, NY

Congratulations on 10 years of extremely honest and intelligent publishing. REASON has been one of the outstanding contributors to the modern renaissance of the idea of human liberty. Long may you flourish.

Henry G. Manne
Director,
Law and Economics Center
University of Miami

We hope that the 10th Anniversary issue will be a great one, and the dinner a huge success! All best wishes to REASON, and congratulations on this anniversary.

Mr. & Mrs. Robert A. Heinlein
Santa Cruz, CA

Although I'm a relative newcomer to the business of magazine publishing, I've already developed an appreciation for what an accomplishment the longevity of your magazine represents. REASON magazine has been an invaluable asset to the libertarian movement and I'm confident that it will prove equally important in its second decade.

Edward H. Crane III
President, Cato Institute
San Francisco, CA

Thank You Ayn Rand, and Good bye

Remarks by Nathaniel Branden at REASON's Tenth-Anniversary Banquet

When REASON*'s editors first got involved in the production of the magazine, they didn't have the foggiest idea how it was going to come off. Just so with the tenth-anniversary dinner.*

Sure, they'd arranged for a cozy meeting room. They'd planned a nice dinner and chosen good wine. They'd managed to get the editors and a comfortable 20 or so guests together in one place. They'd lined up Dr. Nathaniel Branden to give the keynote address. But they didn't know whether, or how, it would "gel," as Bob Poole said later, confessing his jitters.

But everyone arrived, even Dr. Branden, who had been ill. After a round of drinks and congratulations and conversation, all sat down to a pleasant dinner. The waiters didn't spill anything—in fact, did a fine job of serving everyone. Banter was flying about the room; smiles and laughs prevailed.

Well, it looks like everything is going OK, even well, *thought Poole—until, halfway through dinner, Dr. Branden turned to him and asked, "What would you like me to speak about tonight, Bob?" Panic:* Oh, God. You mean our main speaker, the culmination of the festivities, doesn't know what he's going to talk about? *In fact, Branden had prepared himself for several topics but had not yet settled on one and was probing for a push in one direction or the other. But now it was his turn to be surprised, for Poole gulped down his panic and came through with an unexpected question, one expressing his own, and what he knows to be a widely shared, puzzlement.*

"Well, here we are," he replied, "gathered together with people who respect individual liberty and capitalism, celebrating the survival and prospering of a magazine that has promoted those ideas. Why isn't Ayn Rand here? She's been one of the inspirational lights for many of us. Why wouldn't she be found at anything like this? And perhaps you've thought about this and could shed some light on why it's so." Dr. Branden had and did.

In a way his comments were so appropriate for an audience of the small size assembled that night, that the editors at first shied away from publishing them. But, believing that his insights and the personal force of his statement do come through in the printed word, they decided to go ahead and share Dr. Branden's comments with the REASON *audience.*

IT WAS VERY EXCITING to listen tonight, and I felt all of your excitement as you were listening, because it's nice to see some people do something crazy and pull it off. Ten years ago, let's face it, most of us were younger than we are now! And starting this magazine just in the manner that's been described—it's very exciting to think where it's come in the last 10 years.

And of course, I relate it to my own experiences when I started NBI in 1958, because, as you may or may not know, Miss Rand was not enthusiastic at all over the whole notion of Nathaniel Branden Institute, or Nathaniel Branden Lectures as it was called originally. And that's relevant to mention by way of preparing the ground for the subject I've been asked to talk about this evening.

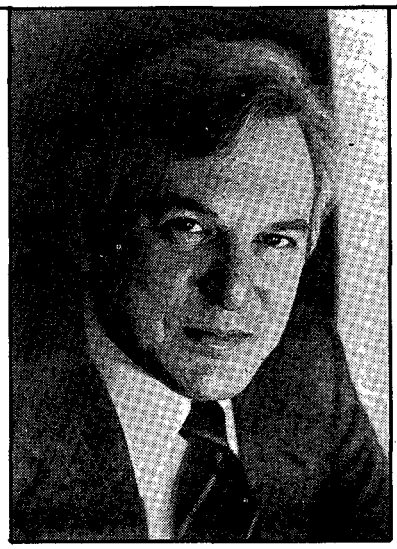
She had been receiving for many years a great many letters of inquiry about her philosophy, and I formed the idea of preparing a basic lecture course on her philosophy. Since the story is told in *Who Is Ayn Rand?* I won't go into it now. But it was very interesting psychologically that here was a woman who, in her writing and in her philosophical thinking, is very, very daring and innovative and certainly knows how to think off the beaten track and to think outside of ruts; but in the ordinary practical con-

duct of real-life affairs, her thinking was and is in many ways very conventional.

The idea—that you'd offer lectures, there'd be no university accreditation, for a philosophy conceived by someone whose reputation was as a novelist—it is crazy right? It was totally crazy. Except that it *worked.* It worked because there was enormous interest in her books, which was not only a response on a literary level, as powerful as that response was; it was also, as you know, a powerful intellectual interest. But I didn't know the magnitude of that; I didn't quite conceive in 1958 that when I closed the Institute in 1968 we'd be in 80 cities offering courses. Still, what was terribly interesting is that all along the way she was watching this with a kind of fascinated, increasingly happy but somewhat incredulous, gaze.

Being kind of young and cocky at the time, I was too pleased with what was happening and the excitement of making it happen to really pause on the strangeness of it—because I didn't think it was all that strange, just as the people who started REASON didn't think it was all that strange. You begin with an attitude, Well, it seems like a good idea; why not? And if you're using your brains and you're not reckless or irresponsible, you have a reasonably decent chance of succeeding. Which is really the ideal way to think.

One of the things, especially as a psychologist, that I'm very interested in and sensitive to is that a lot of the things people daydream about and think, Gee, wouldn't it be fantastic if I could do that? really are nowhere near as complex or difficult as they imagine. The most difficult step is the first—the belief that you can do it. And it occurred to me as I was thinking about my remarks this evening that in a way I'm echoing some of the themes that Jack Wheeler talks about in his book on adventure [*The Adventurer's Guide*]. This is Jack's message, that if you think about going into the jungle or climbing the Matterhorn or doing some of these other things, it's really not all that difficult. The biggest hurdle is the first one—to get it through your head that if you really want to do it and are willing to put in a reasonable amount of effort to make it work, there's a very good chance that you can succeed. Now naturally, as we get older, most people tend to rigidify somewhat in the thinking and cockiness and willingness to try things that you often see among young people. It's sometimes said that the young have less to lose, and maybe that's true.



NATHANIEL BRANDEN

INNOVATORS

Coming now specifically to Ayn Rand, the first thing to understand about Miss Rand is that she may be unique in her genius and in her positive contributions, but not in her particular problems or blind spots. Her problems or blind spots are very frequently found among intellectual innovators or leaders of new intellectual positions. Look, for example, in my own field, at one of the great geni-

Miss Rand may be unique in her genius and in her positive contributions, but not in her particular problems or blind spots.

uses in psychology and psychiatry, Wilhelm Reich. Now he had a lot of the same suspiciousness, the same super preoccupation with loyalty, the tendency to view himself perhaps as a martyr and almost to create his own martyrdom. Or one thinks of Freud and the rings that he gave to his select circle; they were to be the keepers of the faith and to protect the purity of the original position.

The history of thought is replete with examples of this pattern. Whether it's a way of handling the terrible intellectual loneliness or isolation of the starting years; whether it's a consequence of having absorbed a great deal of hurt, or intellectual or personal rejection, in the early years and not knowing how to process it—whatever the reasons, nothing is more common among intellectual innovators than increasing suspiciousness of the slightest deviations among followers and a tremendous preoccupation with protecting "their baby." And I've got a lot of sympathy for that, a lot of understanding.

So we have to look at Ayn Rand in context and realize that we may be disappointed, personally, that some of her attitudes are what they are regarding the libertarian movement, for example—because she happens to operate in an intellectual arena of great interest to us. But it isn't that we have been singled out for bad luck! Or that she represents a rare species of perversity. If you have created a new intellectual system—or new in important respects—which rightly or wrongly you perceive as a highly integrated structure, the desire to preserve it in its totally undiluted form is as understandable as it is unrealistic. To me it is *totally* understandable and *totally* unrealistic.

Friends ask me, "Nathaniel, how do you feel when you train certain young psychologists who begin as great admirers of yours and reach a point where they are ready now to correct you?" This to me is so much the nature of life that it's absolutely nothing to get into a fit about. The one thing we should be able to do, it seems to me, is to be at least realistic about the inevitability of the fact that when people are young, and you open up a new world to them, in the beginning you are everything. You are so rich in what you have to offer, you open up such vast continents, that there are early years when followers and admirers are quite content to play entirely within your field.

But there comes a point, especially when the followers are bright—and this tends to be less true in proportion as they are less bright—where some reasonable degree of assimilation and integration has taken place and all of us...part of being mature means leaving home. Now leaving home does not mean rebelling against intellectual positions that one is rationally convinced are true. And there are a lot of pretentious persons who do try to make their names, reputations, or self-esteem by gunning down whoever was the big figure before them. But I'm not talking about those types, some of

whom unfortunately, are quite prominent in the libertarian movement. But if you subtract any malevolent motivations, there remains the fact that people want to move into new territory and to feel free to do so.

At this point, the leader has got a choice—three choices. He can say, "You're a bunch of disloyal traitors and sons of bitches, and curse you all." Or he can say, "I respect your need to move along this path. I don't agree with some of the conclusions you are drawing, and I think we should here go our separate ways without ill will." Or he/she might be able to say, "I understand why this is happening. I'm taking the position that *I* take, and I can handle these differences." Now, positions two and three are preferable to one, because one is very unrealistic. It can never be the case that you are going to create a living intellectual system and everybody who comes after you will never say or write anything whose truth you don't instantly perceive. To make that demand is so unrealistic that it's very, very sad that we should see it implicitly made by a champion of autonomy and independent thinking. So that's what makes the case of Ayn Rand perhaps depressing—because she *specifically* has made *such* an issue of the importance of independent thinking.

POLITICAL ACTION

Now, let's talk more specifically about her attitude toward libertarianism, as I understand it. I remember when the word "libertarianism" first came out, and it's very interesting. I said, "Hey, Ayn, the word is new. Its a bit awkward, but I like it." She said, "I don't. I think it's a terrible word. It's a coined word." And I said, "The reason I like the word 'libertarianism' is that I don't like to define our social philosophy by reference to capitalism. Because capitalism, specifically, historically, stands for an economic system—to say nothing of the fact that it was coined by capitalism's enemies as a smear word. What I like about 'libertarianism' is that it names something more philosopically fundamental than economics, which is the issue of social and political freedom. So it may take a decade for the word to sound comfortable on our lips, but it's worth it because we're missing a word to stand for that in the language." Well, I remember having this disagreement, and it goes back to the fact that it's not something that already exists.

Now, when people come out in favor of libertarianism, judging from her published and stated comments, they are in a very difficult position. If they are totally committed followers of her philosophy, they tend not to get involved in political action. For the message which was clearly sent out—through the pages, for example, of the *Objectivist Newsletter*—was that people who like or agree with the philosophy of Ayn Rand should best devote all of their energies to (a) studying and understanding it and (b) encouraging others to do likewise—totally ignoring the fact that for a great many people, after a certain point, that is not yet a career. It just isn't.

Suppose that your arena were not theoretical philosophy, or even if it were, you were really interested in political philosophy and you even wanted to move back and forth between political philosophy on the academic level and some form of social education or political action of a more popular orientation. Now, you had three possibilities relative to Miss Rand, all of them filled with trouble. You could argue for freedom, political rights, and capitalism without reference to her arguments, in which case you were very foolish indeed, because you were not availing yourself of some of the most powerful arguments available in support of social and political freedom and capitalism. And if you don't say, "Well, I'll just steer clear of this altogether," then you run the risk of making mistake number two, which is: you use her ideas. Now you are, to use her phrase, a "plagiarist." But you can't plagiarize ideas; you can plagiarize statements. And for her to use such a phrase as "plagiarizing my ideas" is really incredible for a person who ordinarily thinks as carefully as she does. But if you made the third move, which is to quote her, you are now using her to boost activities that she doesn't approve of. The point is that you're locked into a no-win position.

The luckiest beneficiaries of her work are the people who read her and never have any reason to deal with her in person—then they get the best of what she was.

Now, I can understand a thinker saying, "What I'm really interested in is my own intellectual creation. That is my life. That is my love affair; that is my mission to do this work; and the truth is I don't really give a damn about the arena of direct political action. It doesn't suit me temperamentally; it doesn't suit me emotionally; it's not my game." I can practically make that speech, so how can I not be sympathetic to it? It's a completely acceptable position, so long as you know it's a personal preference, so long as you know you're talking as a human being saying, "Look, here is what I want to do. If you want to learn from me, fine; if you want to use me, fine. Please don't quote me out of context." But she's not the first thinker in history and she certainly won't be the last whose primary obsession was to have total control over the content of any use of any part of her philosophy.

Now for me, one of the great misfortunes is that a lot of people today are not using her when they need to be, because often she has much more powerful arguments than the arguments which are in use. And too often people use her arguments but conveniently forget where they came from, or at least do not acknowledge them in contexts where it's clearly required. There are outrageous examples of this—prominent libertarian thinkers who take positions which no pre-Ayn Rand writer ever took, specifically with regard to her ethical orientation. But we won't get into that story.

I remember when John Hospers was the candidate and Rand was talking at Ford Hall Forum, and somebody asked her, what did she think about the Libertarian Party? And I'm sure many of you are familiar with her answer. I can no longer quote it verbatim, but the essence of her attack then was that these are irresponsible mediocrities who are trying to "cash in" on her name and work and reputation. And I was thinking, what could anybody have done then *not* to earn that appellation? If you didn't use her ideas, you really were a lunatic. And if you did, you were cashing in on her work. So by setting up an alternative of that kind, the message is clear: Look folks, you are pouring your energy into the wrong activity. Instead of running for president or educating the public about capitalism, you should be getting the world to read *Atlas Shrugged*. I don't know of any other way to understand her message.

As it happens, I think that getting the world to read *Atlas Shrugged* is one of the most worthwhile political activities I can think of, because I doubt if any other single book, certainly in the 20th century, has converted so many people to capitalism. I know that for many liberals—Edith Efron being one—the biggest intellectual event of their lives, in terms of a reorientation, was reading *Atlas.* But getting the world to read it is not the only worthwhile political activity, so it would have been better had she said, "Look, I'm really not interested in these other activities. It's not my mission." But there was this great concern with protecting the baby. So that the intellectual world, in the end falls into three categories: the totally loyal, who generally originate or create almost nothing—and I offer the public record; the explicit intellectual enemies; and the totally "depraved"—the admirers who go their own way.

AYN RAND'S MISSION

But there's no point in getting mad at Miss Rand. I think one has to accept the fact... here is my deepest view of Ayn Rand. Carl Jung speaks a great deal of his notion—for which I have a deep emotional sympathy; in fact, I think I could even give you a scientific argument for it—that human beings have a mission and that the task of life for each one of us is to learn what we are to do and do it. And not to run away from our destiny. And that enormous courage is sometimes required, first to discover what one's reason for being here is, and then to follow that path. I really feel—I won't say from the day she was born, but from very early in her life—her personality crystallized in such a way that her destiny was to write *Atlas Shrugged.* In a very profound sense, that's what she came here for. And in a very real way, she died when she finished it. And no superficial popular explanations or even the jargon of professional psychiatrists and psychologists is ever going to begin to encompass the complexity of her personality or the complexity of the factors that lie behind her choices and responses. But I really feel, when you add it all up, that the luckiest beneficiaries of her work are the people who read her and never see her, never meet her, never have any reason to deal with her in person. Then they get the best of what she was.

Don't expect anything of her as a person—say, "Thank you," and let go.

So in a certain way, my advice to the editors of REASON and the writers for REASON, and to libertarians in general, is not to curse her, certainly not to get one's feelings hurt, but to say, "OK, she made an incredible intellectual contribution. My job is to understand it and to use it, when I think it's valid, and to follow my own growth and my own development—but acknowledge what my sources are when they are indeed my sources, and don't lie to myself or to anybody else about it."

Don't expect anything of her as a person. Don't expect help. Don't expect understanding. Don't expect sympathy. Don't even expect sanity. Say, "Thank you," and let go. Which is what I have done. Then you can feel comfortable to quote her, to pay her the compliments she deserves, to disagree with her when that's necessary, and from her, the person, to count on nothing.

It occurs to me that on one level this should sound tragic, but that's not how I'm feeling. There's something more profound here. Perhaps I owe it to her that I understand this issue as clearly as I do. It's a respect for what is. This is just the way it is. And the most holy, sacred thing in the world is a fact. And if any of us feel or believe that, she's probably made some contribution to our feeling or believing it. ◻

Nathaniel Branden, for many years associated with Ayn Rand and the Nathaniel Branden Institute, is the author of Who Is Ayn Rand?, The Psychology of Self-Esteem, Breaking Free, *and* The Disowned Self.

Friedman

(*Continued from p. 21.*)

And they're right.

Now don't misunderstand me, I don't blame business enterprise. I don't blame U.S. Steel for seeking to get those special privileges. The heads of U.S. Steel have an obligation to their stockholders, and they would be false to that obligation if they did not try to take advantage of the opportunities to get assistance. I don't blame them. I blame the rest of us for letting them get away with it.

A MATTER OF FAITH?

Where are we going to end up? I do not know. I think that depends upon a great many things.

I am reminded of a story which will illustrate what we may need. It has to do with a young and attractive nun who was out driving a car down a superhighway and ran out of gas. She remembered that a mile back there had been a gas station. She got out of her car, hiked up her habit, and walked back. When she got to the station, she found that there was only one young man in attendance there. He said he'd love to help her but he couldn't leave the gas station because he was the only one there. He said he would try to find a container in which he could give her some gas. He hunted around the gas station and couldn't find a decent container. The only thing he could find was a little baby's potty that had been left there. So he filled the baby potty with gasoline and gave it to the nun. She took the baby potty and walked the mile down the road to her car. She got to her car and opened the gas tank and started to pour it in. Just at that moment, a great big Cadillac came barreling down the road at 80 miles an hour. The driver was looking out and couldn't believe what he was seeing. So he jammed on his brakes, stopped, backed up, opened the window and looked out and said, "Sister, I only wish I had your faith!" ◻

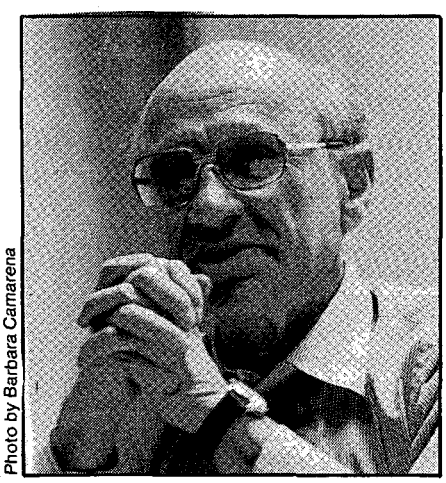


Photo by Barbara Camarena

Milton Friedman, who was awarded the 1976 Nobel Prize in economics, is widely known both for his monetary theory in economics and for his defense of the efficiency and value of free enterprise. This article is adapted from a speech given by Dr. Friedman at Pepperdine University, by permission of Pepperdine and the author.

The Petr Principle

viewpoint

Edith Efron

In past years as I crossed the country on lecture tours, I met a number of libertarian groups, and I heard one question above all others: "What can I do to fight for liberty?" The question came from people in a variety of professional fields, and it usually turned out that the questioners felt, rather desperately, that because they were not political theorists and economists they had no means of fighting for their freedom. This is a serious fallacy, and over the years it has had unfortunate consequences. It has tended to create a movement full of spurious political theorists and amateur economists who spawn illiterate "theoretical" literature and anxiously role-play at being freedom fighters.

What is still relatively rare in the libertarian world is the individual who does not pretend to be either a political theorist or an economist, who has built steadily on his own specialized professional base, and, in the process, has become a powerful political force. A magnificent example of such a person (whom I do not know but by whose work I am greatly impressed) is Petr Beckmann—the Colorado engineer who has for years been fighting for nuclear energy in the United States. Although his primary purpose is not the furtherance of a free market philosophy—his foe is the Luddite and the technology-hater who is strangling our energy sources—he is actually doing more for the cause of liberty than all the amateur theorists in the libertarian movement put together. His publication, *Access to Energy*, is one of the most powerful libertarian documents in the country.

The plain fact is that an exclusive concentration on the theory and economics of liberty is not the only kind of battle to undertake today. There is no guarantee in any complex problem that the political dimension is the essential cause of that problem or that the State is the essential or fundamental villain. That assumption, so widespread among libertarians, is often a guarantee of superficiality. Liberty is not a philosophical primary; it is a derived value, and its roots lie deep in a great network of other values—metaphysical, epistemological, ethical, etc. When liberty rots, that means that much else in civilization is rotting, too. Often—and conceivably most of the time—a loss of liberty is just a symptom of a yet deeper problem; and the perception of that loss of liberty is just a surface way of grasping a cultural development that is infinitely deeper and more terrible.

What, you may ask, is deeper and more terrible than a loss of liberty? The answer is: The death of civilization itself. For decades it has been clear, at least to some, that western civilization itself was degenerating and that we were slowly entering a new Dark Age. For all the outcry over such horrors as 20th century totalitarianism, that perception has been extremely rare. One must, at a minimum, have some notions of what western civilization is and on what it depends to reach such a disturbing conclusion. Those who have reached it do not necessarily share the same political ideas on all subjects. Far from it. But whatever their differences, they share that one crucial perception in common: an awareness that civilization itself is under attack. They know that a war has been launched by neo-primitives against reason, logic, and productivity; against science, literature, and art; against individual and moral responsibility; *and* against political liberty. However passionate such people may be about liberty, they are unfailingly aware of this broader civilizational context, and when they weep, they do not weep for the loss of liberty alone. It is my own view that if there is still time to reverse these harrowing trends, they can only be reversed by people who fully grasp their magnitude and profundity. Those who perceive the problem as strictly political are doomed to fail precisely because they have not diagnosed the full extent of the malady they seek to combat. The specialist who fights directly on these fundamental civilizational fronts may be doing something far more valuable than the individual who assumes that the problem is purely political. Political issues—and liberty is a political issue—are only one aspect of the wider calamity.

Increasingly I have come to question the amateur libertarian focus on the political dimension. Such a libertarian is like a man who is fighting the command structure of a great ship, slashing away at the admittedly wrong and authoritarian details of the "system"—while totally ignoring the fact that the ship itself has a gigantic, gaping hole beneath the water line and is sinking. There is something out-of-contact in such a fighter for liberty, who, all too often, does not appreciate those who are frantically straining to man the pumps. Both on this hypothetical ship and in society itself, the battle for liberty verges on the meaningless unless one is *also* fighting for civilization that both makes that liberty possible and gives it content.

Too often that content is taken for granted by libertarians. To put the question directly: What is the meaning of liberty to 20th century Americans? Or, even more simply: What is liberty *for?* Would you, for example, be willing to live in total political freedom in a world of mongolian idiots? Or in a world of superstitious primitives? Or in a world of stone-age savages? Some people, I suppose, would say yes, and they doubtless deserve such a destiny. Most of us, however, if we made it imaginatively real to ourselves what such an existence would be, would rather be dead. Why? Because our liberty in such a cultural context would be of little value to us. Theoretically we would be free to speak, but there would be no minds to receive our thoughts. We would be free to create, but there would be no souls to respond to our creations. We would be free to invent, but there would be no intelligences to appreciate or use our inventions. We would all become shrunken creatures imprisoned by the very limitations of the culture around us and unable to exercise the potentialities within us that we most cherish. To an overwhelming degree our lives, our actions, our goals, and our very identities are functions of our civilization. And when we speak of liberty, we actually mean: liberty to function freely within *this*

(*Continued on p. 71.*)

washington watch

Educational Tax Credits vs. Grants

It has been amusing and instructive to see how quickly the Senate Human Resources Education Subcommittee, backed by the Carter administration, has moved to propose their own version of relief for middle-class parents pressed by rising tuition costs. Sen. William Roth (R-DE) and Daniel Moynihan (D-NY) nearly held up approval of December's Social Security tax increases with an amendment to provide tax credits for college tuition. The idea proved so popular that those who want to see as little change as possible in the present system of public education have moved to address the problem.

Tax credits have a number of liberating aspects, especially when applied to education. They allow the taxpayer to spend his own money on education first, and then claim the tax credit with a minimum of bureaucratic oversight. (Presumably it would require one additional line on the 1040 form and the prudence of hanging onto a receipt in case you're audited.) Tax credits could encourage spending on alternatives to the bloated and ineffective public school system. They allow the consumers of education to express their preference first.

Giving more grants for educational assistance, the approach preferred by the Carter administration, leaves the maximum control and discretion in the hands of central bureaucrats. It requires snooping into financial records to determine eligibility, and probably a great deal of pressure as to how the money will be spent and which educational institutions will receive the federal largesse (and the control which goes along with it).

There's a horse race in the Senate now over which approach is likely to be instituted. The Education Subcommittee has passed a bill which would increase federal grants programs and work-study programs, and raise the eligibility level (for a family of four) from $15,000 to $25,000 per year. The Senate Finance Committee has passed a bill which incorporates the tax credit proposal, with a credit of $250 gradually rising to $500, and extending the concept to *elementary and secondary education.* To do it quickly, they took an unrelated House-passed bill, HR 3946, and replaced it with the tax credit language.

If you want to express your own preference to your Senators, I would suggest that you do it quickly. (US Senate, Washington, DC 20510)

Humphrey-Hawkins

At this writing, it appears likely that the House will pass the Humphrey-Hawkins national economic planning bill with a minimum of opposition, despite the efforts of Libertarian Advocate and a few conservatives not completely subsumed by the Panama Canal issue. If it hasn't already passed when this appears, please write to your Congressman. (US House of Representatives, Washington, DC 20515)

There is a good chance, however, that this may be a replay of last year's energy program. In the Senate there are arguably 13 committees which could claim jurisdiction over parts of this wide-ranging legislation. It is likely that four of them will claim the right to hold hearings and work their will on the bill. If we are lucky, the bill could just be "committeed to death" in the Senate long enough for the emotional support to die down a bit and for people to take a peek at just what the bill really says.

Besides the beginnings of institutionalization of national central economic planning, the bill completely alters the system of committee jurisdiction in Congress and involves several attacks on the independence of the Federal Reserve Board. Besides all this, it reads as if a sophomore student in Utopia 101 had taken his notes, put numbers on the paragraphs and submitted it as a piece of legislation. It's a joke, but it could be a tragic joke if passed.

Letters to Senators opposing Humphrey-Hawkins would be welcome.

Airline Deregulation: On Track?

The cause of airline regulatory reform has been delayed in the House by the insistence of Rep. Glenn Anderson (D-CA), chairman of the Aviation Subcommittee of the House Public Works Committee, that its passage be coupled to a pet project of his, a bill which would provide federal subsidies to airlines to comply with Federal Aviation Administration noise standards which were recently issued and made retroactive. Anderson has been lukewarm on regulatory reform, and he has met some opposition to his own subsidy program.

To get around this logjam, some staffers and strong reform proponents have developed a new piece of "compromise" legislation and secured the support of Anderson, Norman Minetta (D-CA), Phil Crane (R-IL), Elliott Levitas (D-GA) and Harold Johnson (D-CA), chairman of the full Public Works Committee. HR 11145 may be the best reform legislation to emerge, perhaps even better than the Senate version. With this kind of backing, it is likely to be the bill which the Subcommittee chooses as its "markup vehicle" the week of March 8.

With any luck, a bill will have emerged for consideration by the full House sometime in April or May. Letters to Congressmen will be important.

Tax Reform

Carter's tax cut will not even begin to offset the recent increases in Social Security taxes, let alone the increases in rates due to inflation. But the hearings did provide an opportunity for proponents of real reform to have their views heard.

The National Taxpayers Union testified in the House Ways and Means Committee in favor of massive tax reductions, elimination of double taxation of dividends, changes in business taxes and indexing. Heard on a panel which included the Bar Association and the National Association of CPA's, their views may have carried a certain amount of weight.

Libertarian Advocate later in the week proposed massive tax cuts, a flat-rate income tax, and a tax "ballot" which would allow taxpayers to designate which government programs their money could be spent on, coupled with an elimination of withholding.

For a copy of the NTU testimony, write to NTU, 325 Pennsylvania Ave. SE, Washington, DC 20003. For a copy of the Libertarian Advocate testimony, write to Libertarian Advocate, P. O. Box 3117, Falls Church, VA 22043.

Alan Bock

"Money is the promise of the State to pay for something with its promises. It is moral degeneration to claim the debt has been paid if you have faked the means with which to pay it."

—Herbert Frankel
Oxford University

spotlight

Agency Activist

When asked about his views in a 1973 interview, the candidate told Federal Trade Commission Chairman Lewis A. Engman that unless the institution substantially changed its stripes the FTC should be abolished. The subsequent appointment of free-market-oriented Wesley J. Liebeler to direct the Commission's Policy Planning and Evaluation Office generated controversy not only within the FTC itself but also in antitrust circles generally. The Policy Planning Office—created after criticism of the FTC by the American Bar Association, had not yet become much of a force. Under this new leadership, however, it produced a series of budget reviews, large portions of which were later published in the antitrust trade press, which severely criticized the Commission's performance in both antitrust and consumer protection.

Liebeler, professor of law at the UCLA Law School, is one of the intellectual and practical pioneers of the deregulation movement. His unbounded enthusiasm both stimulates his students (not always, of course, to agree with him) and helps to sustain a steady flow of scholarly work. Liebeler's knowledge and experience with federal regulatory agencies centers upon his relationship with the FTC, the grandfather of bureaucracies. Besides being Director of the Policy Planning Office, he also served as a consultant, both to the Commission's chairman and to the Commission as a whole, in 1973 and in 1976, before and after his stint as Planning Director. In 1976 he produced a series of policy memoranda on different antitrust issues that were to serve as a base for new FTC guidelines. A change in the national administration, however, produced a sharply different view of antitrust enforcement. No guidelines were adopted.

Liebeler's academic career dates back to the University of Chicago Law School. His earlier free-market predilections were influenced and amplified by his contact with Aaron Director, who was Professor of Economics in the Law School at that time. "I took every course that Prof. Director taught, and wished there were more. Like most students, at least of that vintage," Liebeler says, "I stood in a certain amount of awe as regards my teachers. The only one I have not lost that feeling about is Aaron Director. There was nothing quite like the intellectual integrity of the man and the power of his analyis. When he turned those qualitites on a problem, what most others accepted as 'analysis' became nothing but words—usually without discernible connection. And so it is with most justifications for government regulation and intervention into market processes."

After he graduated from Chicago in 1957, Liebeler went with a prominent New York law firm where he specialized in commercial litigation. He stayed with the firm until 1964 when he became an assistant counsel to the Warren Commission for its duration. Thereafter, Liebeler joined the faculty of the law school at UCLA.

According to Liebeler, it became obvious that he needed a crash course to advance his understanding of economics

Wesley J. Liebeler

when he began to teach the Antitrust course for the first time: "I found that it was not possible to teach that course using the usual and time-honored techniques of legal reasoning. While you could relate the cases to each other in a superficial, primarily verbal way, the subject just would not hang together in any consistent, coherent way."

He turned, in part, to the UCLA Economics Department for a solution. Out of that developed a close and long-lasting relationship with Prof. Harold Demsetz, who in the opinion of many is the nation's leading industrial organization economist. In his Law and Economics course this year, for example, Liebeler's reading assignments include Henry Manne's *The Economics of Legal Relationships*; four of the leading articles were by Demsetz.

At the FTC Liebeler thought Engman viewed him as something of a "stalking horse." If a particular idea received a favorable response, Engman was all for it and would try to lead the Commission to back it; if the response was less favorable, Liebeler could have all the "credit." Liebeler's first major proposal was to assert the FTC's power to strike down state laws that had the effect of injuring consumers. The first target was the prescription drug industry; one type of state law prevented the advertising of retail prices of such drugs; another prohibited pharmacists from dispensing generic drugs if the prescription was written to call for a particular brand of a generic drug. While Engman was dubious about the political pressures that might be generated by pharmacists and pharmaceutical manufactureres, he did appoint a task force with Liebeler at its head to draft and submit specific proposals to the Commission.

Staff members of this task force, aside from those from Liebeler's own office, were extremely doubtful that the Commission itself would ever adopt either of Liebeler's proposals. The head of the Bureau of Competition adamently refused to endorse the task force recommendation that the FTC proceed against the advertising restrictions by way of a trade regulation. But the Bureau of Economics and Bureau of Competition adamantly refused support the proposal and eventually after the Commission itself unanimously accepted the task force recommendations, the Bureau of Consumer Protection was given operational responsibility to conduct the trade regulation rule proceeding. After Eric Sevareid, discussing the proposal on the CBS Evening News, opined that it was the most sensible thing he had seen come from the regulatory agencies in over a generation, Engman formally announced the new program before a national meeting of advertising agency personnel.

The prescription drug rule was followed quickly by one on prescription eyeglasses. Liebeler proposed a general FTC attack on state occupational licensure programs, on the theory that the necessary effect of all of them was to injure consumers. He eventually proposed that more than half of the Bureau of Consumer Protection's resources be devoted to attacks on various state regulatory schemes and to monitoring and critiquing the activities of other federal agencies. He proposed an attack on advertising restrictions on doctors, lawyers, and other professionals. His office urged the Commission to move against state laws that limit competiton in the fluid milk market. The Policy Planning Office began involving itself in proceedings before the CAB and in Congressional activities aimed at deregulation.

(Continued on p. 71.)

movies

Looking for Mr. Goodbar • Dersu Uzala, The Hunter

•Question: What do *King Kong* and *Looking for Mr. Goodbar* have in common?

Answer: Almost all the scenes take place in the dark.

But that's about where the resemblance ends.

The darkness of *King Kong* is the darkness of the great outdoors. The darkness of **LOOKING FOR MR. GOODBAR** is that of sleazy bars and unkempt bedrooms. The eyes never really become accustomed to this continuous darkness—neither the darkness of the tacky locales nor the inner darkness of the characters which it reflects. Most of the activities depicted would be somewhat embarrassing, if not downright ludicrous, in the bright light of day.

It is not that the scenes aren't well acted. They are: Diane Keaton and Tuesday Weld are nothing less than brilliant.

It isn't lack of attention to detail. Director Richard Brooks (*In Cold Blood*) has attended well to that, as always—except that the clue (present in the book) to the title of the picture has been omitted.

It is not, as some have contended, that the actions are not psychologically explicable. Why does the "heroine" do a superb job of teaching the deaf by day and go bar-hopping for one-night stands in the evening? The common thread is that in both situations she is constantly driven to prove to herself her own adequacy—in sex, by picking up different men so that in each case she can prove to herself her own desirability, and in her profession, by taking on pupils who are handicapped or in some way less adequate than she is, so that she can never appear inadequate compared with them. And why does she have this overpowering need? The scene with her father, in which her congenital disorder is confirmed, is surely enough by itself to explain why such feelings of inferiority should have arisen—even without the constant psychological clobbering endured in her home life throughout her years of growing up. There is at least as much of a plausible motivation here as in most psychologically oriented film dramas.

Beyond this point, one's reaction to the film will depend largely on its subject matter. Some viewers will be repelled by such a subject, even when well handled. Other viewers will enjoy the subject matter, perhaps even have a fascination for it. Still others may, deep down, be masochists who feel pain at the exhibition of suffering and sordid sex but enjoy it for that very reason. At any rate, there aren't many films after seeing which one finds some people applauding while others are still retching.

—John Hospers

• South of the frozen tundra of the Siberian Arctic, there lies a huge belt of land, larger than the entire United States, called the taiga—endless forests of birch and larch, swamps and lakes and clear rushing rivers, and bands of native tribesmen who make their living from hunting and fishing and who even today have not been Sovietized. To my knowledge this vast expanse has never been photographed in detail for the Western world to see (I saw some of it, but mostly from a plane). One can read about it in St. George's book *Siberia* and Mowat's *The Siberians*, but almost all of it (except the city of Khabarovsk, where I spent two days, and where the film begins and ends) is out of bounds to foreigners. It is therefore a matter of considerable interest to have a two-and-a-half-hour motion picture filmed entirely in this seemingly endless land of wild and primitive beauty. One has to go back to *Lawrence of Arabia* to find such breathtaking natural splendor on film.

If it were only this, we would have an interesting documentary, an A-1 exhibit in the *National Geographic* style. But **DERSU UZALA, THE HUNTER** is much more than this. It is a story, set in 1902-5, whose plot-line is simple but whose every moment pulses with drama and elemental power. The film opens as a party of Czarist soldiers on a surveying mission in this uncharted land encounter in the wilderness an old Ussuri tribesman who has spent his life hunting and trapping in the area bounded by Khabarovsk on the south and the Arctic Circle on the north. The story is about their subsequent adventures and the interactions between the men of the Czar's military forces and the ethos of the native tribesman, Uzala.

Add to this a third ingredient, the genius of the Japanese film-maker Akiro Kurosawa, whom many believe to be the world's greatest living director (*Rashomon, The Seven Samurai, The Lower Depths, Throne of Blood, The Hidden Fortress,* etc.). Perhaps no one but Kurosawa could have presented so tellingly, against this rich natural background, so quietly moving and powerful a story of the encounter of the native with civilization. One by one the character-traits of the hunter unfold, so that by the time the film is over we have had laid before us one of the finest characterizations in modern cinema. Kurosawa adapted the film from the memoirs of the Russian army captain who encountered Uzala in the Ussuri taiga in 1902. But the film is no mere documentary—Kurosawa has leavened the material of history and transformed it into artistic incandescence.

I have heard complaints that the film "drags." To those who are accustomed to rapid-fire action as a requirement for all film fare, with at least one character raped or shot every two minutes on schedule, this may be the case. But Kurosawa, who has no truck with such conventions, proceeds at his own pace, enabling us to savor the wild beauty of the landscape and the slowly evolving interaction of the characters, through incidents both comic and heroic, until a drama of great power and beauty is born. There are segments of the film in which little external action occurs, yet only a Kurosawa could keep it alive and building through every single moment, filled with high drama even when there is only a smile or a sunset. Only in a rare film such as this would missing a minute of it be a jarring interruption of an exquisitely rendered cinematic flow of continuous ongoing life.

The adjectives one is left with in retrospect are: sublime, universal, magnificent, stately, dignified, well-rounded, perfectly etched. One is left also with a powerful impression of the central character, the illiterate hunter with more civilization than the civilized, a humble figure of heroic proportions. Perhaps most of all, one is left with images of abiding beauty: the endless taiga seen from a hilltop in summer, the primeval power of the Ussuri River as one tries to cross it, the sun setting on a frozen ice-cap as a storm begins to rage—and countless other visually compelling images from this vast realm of unconquered nature. And when Uzala is himself finally conquered, not by nature but by the treachery of man, the only words that the grief-stricken captain can pronounce on his grave are the two words of his name.

Just as Kurosawa had to wait many years to fulfill his dream of making a film in Siberia, American audiences had to

(Continued on p. 70.)

books

A Critique of Interventionism

By Ludwig von Mises. Translated and introduced by Hans F. Sennholz. New Rochelle, NY: Arlington House. 1977. 164 pp. $8.95

Reviewed by D. T. Armentano

One of the little-known difficulties in the development of the contributions of the great Austrian economists has been the unavailability—or delayed availability—of their writings in English. Theorists such as Carl Menger and Eugen von Boehm-Bawerk, for example, were responsible for incredible advances in economic understanding, yet the impact of their contributions was diffused due to delays in translation and distribution to English-speaking academic economists. Even today, as impossible as it may seem, there still remains a vast literature of books, articles, and important essays by renowned Austrian economists that has never been translated, or is only slowly being translated, republished, and made available.

It is in this light that we must greet enthusiastically the recent publishing of six essays written by Ludwig von Mises in the 1920's. Arlington House Publishers and translator Professor Hans Sennholz are to be congratulated for making these essays available to a whole new generation of economists and policymakers who could still profit, apparently, from their insightful analysis.

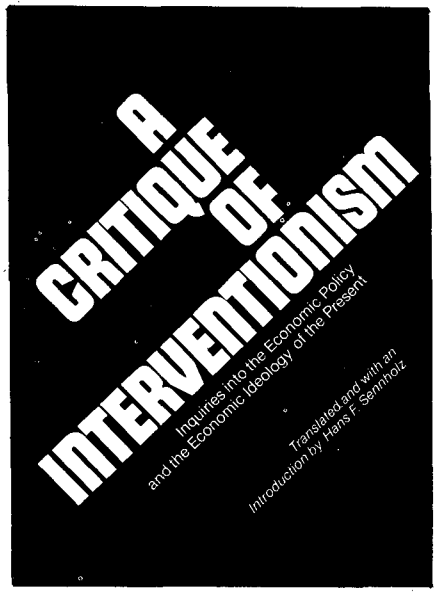
The central theme of the Mises book is that interventionist policies on the part of government cannot achieve their intended result and must lead to further economic restriction that tends to cripple the market system. Mises' favorite example of interventionism is price fixing, and he repeatedly describes the various consequences of price interference on the part of government. The entire scenario is summed up as follows: "at first price control, then forced sales, then rationing, then regulation of production and distribution, and finally attempts at central planning of all production and distribution."

A subsidiary theme in these essays is that even though the classical liberals and the older Marxists understood the total impracticality of interventionism, the neoclassical economists, state socialists, social democrats, and historians (particularly of the Historical School) did not understand—or chose to ignore—the fundamental nature of the interventionist problem. Indeed, important sections of the book are given over to an examination of the confused views of such Mises contemporaries as J. M. Clark (on interventionism), Lampe (on "free competition"), Schmalenback (on the alleged importance of fixed costs and interventionism), Deumer (on credit nationalization), and Werner Sombart (on Marxism). Mises devastates these positions intellectually yet realizes that these views have (somehow) become the new orthodoxy in political economy—a sad development indeed.

There are many important Misesian insights in these essays, though few are developed at any great length. For instance, Mises continuously berates—and deservedly so—the positivist, empiricist, and Historical School of methodology; to study history without theory or to claim to test the correctness of theory with historical incidents was, for Mises, unpardonable error. It was also error—and here Mises anticipates an important criticism developed by Hayek in the 1940's—to make the case for liberalism depend upon the existence of some ethereal notion of "free competition," that is, "perfect competition." Mises realized then, as many contemporary economists still do not, that to create a "competition that is free *and equal*" would require massive governmental intervention with private property, and would likely (for Mises) lead to socialism.

In addition, Mises offers an important observation concerning the nature of "social contract" theory. He notes that the formation of free market social organizations was never the *direct* product of "consciously aimed human effort" but was, instead, the "unconsidered result of specific individual efforts of the members of society." Here we have a hint of the correct vision of the much-maligned "harmony of interests" doctrine and the most important idea of all classical economics: spontaneous order. Yet, we must reiterate—these important notions are tossed up rather casually and are not really elaborated upon in any great detail in these essays.

There are also many important policy insights in this volume. For instance, Mises notes that even in the 1920's, unemployment compensation tended to delay the free flow of workers from labor-surplus to labor-shortage industries and therefore tended to make unemployment a "permanent institution" rather than a temporary disequilibrium. He also notes that almost all cartels owed their existence "not to a tendency in a free economy, but to intervention." Such cartels could be formed because they were sheltered by tariffs and other interventions that restricted competition.


A CRITIQUE OF INTERVENTIONISM
Inquiries into the Economic Policy and the Economic Ideology of the Present
Translated and with an Introduction by Hans F. Sennholz

If there can be any criticism of this volume it is that many of Mises' examples, illustrations, and book reviews relate to scholars and historical situations that may not hold great interest for the general reader—though the student of economic thought will probably be fascinated. Also, there are occasional assertions that are not substantiated by prior discussion. It is one thing, for example, to assert that in theory—other things equal—unemployment is a disequilibrium situation that will tend to disappear. It is quite another thing to assert—in the *absence* of a careful discussion of *time* and any examination of specific labor markets—that in actual market circumstances "without intervention, [unemployment] neither will last *long* nor affect *many*."

In conclusion, the Mises essays are a welcome addition to our literature of liberty and provide insights and historical analysis of government policies that—given the unfortunate state of the world—are still valuable today. ◻

D. T. Armentano's many appearances in REASON date back to January 1970. A revised, paperback edition of his The Myths of Antitrust *will be published soon.*

Power and Market

By Murray Rothbard
Kansas City: Sheed Andrews and McMeel. 2nd edition.
1977. 304 pp. $15/$4.95

Reviewed by Eric Mack

Not that we need a special reason for doing so—but the reissue of Murray Rothbard's *Power and Market: Government and the Economy* (originally published in 1970) provides a welcome opportunity to recall the insights and analyses of this very readable book.

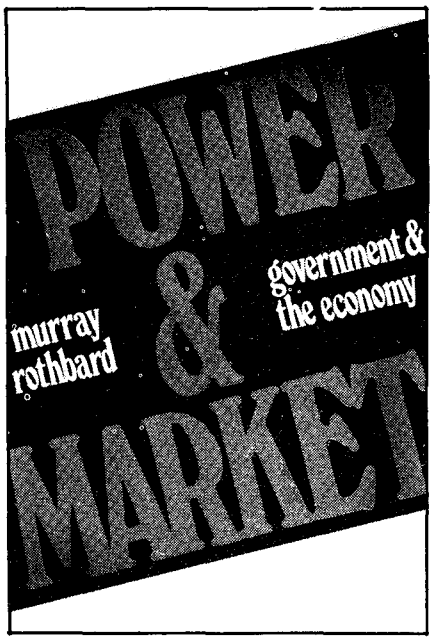
Power and Market is a systematic and lucid study of the economic consequences of coercion—especially State coercion of economic activity. At most, it is possible to give a partial list of the many coercive practices with which the State blesses us and with which Rothbard deals.

One major chapter presents a detailed critique of all forms of intervention by which free association or exchange between two parties is forbidden or restricted by a third party—the State. Rothbard dissects price controls, prohibitions on the production or sale of goods or services, and grants of monopoly. Under this last rubric we find criticisms of compulsory cartelization, licensing, tariffs, immigration restrictions, child-labor laws, antitrust laws, and many other restrictive practices.

Two major chapters deal with taxation. The first is a survey of the distribution of the burdens of various tax schemes and of the real economic consequences of these different programs. All sorts of highly touted tax schemes are shown to have counterintuitive characteristics and counterproductive outcomes. Included here is a fine critique of various proposed canons of "justice" in taxation. The second chapter on taxation deals with consequences of State use of the resources acquired through taxation. Here we encounter criticisms of: the subsidization of poverty and unemployment; the possibility of "business-like" State operations, or efficient socialism; and the idea of "public" ownership.

Another major chapter, "Antimarket Ethics: A Praxeological Critique," provides generally excellent challenges to ethical criticisms of market society that turn on alleged psychological or sociological "insights" destructive of capitalism.

This listing of a portion of the myriad topics Rothbard takes up may give the impression that his work is entirely negative and piecemeal. This is not at all true. All the failures of nonmarket and involuntary forms or coordination are presented against a background account of how and why market and voluntary forms work.



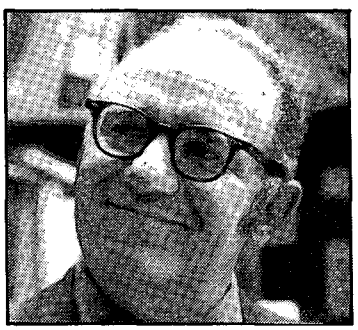
We are presented with a recurring contrast between the "market principle" and the "hegemonic principle," between the

MURRAY N. ROTHBARD'S Power & Market

Power & Market: GOVERNMENT AND THE ECONOMY offers a systematic analysis of the *political* approach to governance through the power of the state, in contrast to the *economic* approach of the free market.

The book opens with an examination of how the free market could provide defense and police services for protection and compensation against violence.

Professor Rothbard then examines the various kinds of



government intervention in society. He focuses on the effects of state control over prices, products, and manpower. He also undertakes an extensive analysis of taxation and government expenditure policy.

Throughout the book, the deleterious results of intervention are contrasted with the dynamic benefits of *laissez-faire.*

"**Power & Market** is, indeed, the most rigorous and far-reaching critique of state intervention into the economy in existence, encyclopedic in scope."
— *Libertarian Review*

"The book includes one of the most piercing analyses ever made of the possibility of justice in taxation... The book contains brief and powerful rebuttals of the two dozen most common arguments against the free market."
— *National Review*

"**Power & Market** is absolutely indispensable to any libertarian in combating statism on all levels. The book is an arsenal of arguments in defense of liberty."
— Roger L. MacBride

"It is original and comprehensive in scope: its systematic critiques of statism are devastating on every level."
— Roy A. Childs, Jr.

Order through
your local bookdealer:
$15.00 Cloth— $4.95 Paper.
Or directly from:
SHEED ANDREWS AND McMEEL, INC.
6700 Squibb Road/Mission, KS 66202
Enclose 50¢ postage and handling.

mutually beneficial and efficient order that follows from voluntary association and freedom of action and the exploitative and inefficient order that follows from coercive interference. This theme is nicely pulled together in the final chapter, "Economics and Public Policy." Rothbard's continual and insightful development of this contrast, his systematic refusal to reify "the market," "the economy," and so forth, and the merciful absence of any bridge building to the left makes this a thoroughly enjoyable book and one of the best for conveying the libertarian world view.

Nevertheless, this work may encounter serious methodological problems in connection with, for example, the status and meaning of Rothbard's praxeological axioms, his insistence that only actions of buying and selling reveal preferences, and the contrast between the praxeologist's inability to make meaningful statements about what someone would prefer and the entrepreneur's ability to do this all the time. But these possible difficulties cannot be examined here.

In *Power and Market* Rothbard also presents some of his reasons for favoring a system of competing private defense agencies over a monopolistic State. His position appears as a simple extension of the values of free association and trade and the disvalues of forced association and State monopolization and resource allocation: the same reasons that favor free market provision of other goods and services favor the market provision of legitimate defensive and juridical services. But those who prefer that their anti-Statist passions be rational passions may find Rothbard's arguments deficient in rigor.

For one thing, Rothbard's argument in chapter one turns on including taxation among the defining characteristics of the State. Libertarian limited governmentalists will insist that the State they favor does not tax. Rothbard's best reply to this occurs within his discussion of "voluntary taxation"—but here, and in other areas, Rothbard takes stands that ultimately raise many of the methodological questions previously noted.

Lastly, there are Rothbard's surprising references to "the basic legal structure of a free society." This phrase seems to ignore the possibility of diverse pairs of individuals tailoring the law that is to govern their relationships to fit their particular preferences. This is a remarkable omission from someone so attuned to the diversity of (legitimate) human wants and to the market's sensitivity to these differences. ◻

Eric Mack teaches philosophy at Tulane University and recently joined REASON as a contributing editor.

The Coming Breakpoint

by Barry Goldwater.
New York: Macmillan Co. 1976.
184 pp. $8.95.

After all these years, after the times of grand struggle when he was reviled by the press, after a spectacular nomination for the presidency and an equally spectacular defeat at the polls, after the recent and unfortunate disagreement with the Young Americans for Freedom over the Ronald Reagan campaign... after all these things, the name of Barry Goldwater still carries the weight it always did—strong, tough, assertive.

The Coming Breakpoint is his latest book, published at a time when Goldwater has become the darling of the same press that treated him so shabbily in the past. Despite the passage of time and the different context (when even CBS has learned to respect Goldwater's integrity) this book is still good old solid Goldwaterism, highly recommended.

The title refers to that moment when the United States will collapse, a hybrid creature of the mixed economy attempting to live off its own blood as it grows more emaciated with each passing hour—a vampire that is its own victim. The "breakpoint" is old stuff, of course, the nub of free-market doctrine. But Goldwater gives it new life, as he always does, with his forceful language.

There is nothing fancy about this book. It is basic. Work is its theme. How much of it, or how little, can support the American nation-state? Goldwater fears that we are reaching a point where the private sector (those who create wealth) will be so small that it can no longer support the public sector (those who govern and those who toil not). Some free-market theorists tell us this has already happened and we just haven't noticed yet, like the brontosaurus requiring a day's notice before he realizes that he's dead. Goldwater is an optimist, giving us at least a decade before the breakpoint—if we're lucky.

He stresses that our system of checks and balances is a contrivance of honor. Being an honorable man, Goldwater is disheartened by the growing number of people in all walks of life (especially bureaucrats) who seem dishonorable. There's no reason to wonder about this. Honor is out this year. No one knows what exactly has taken its place—some amalgam of expedience and bad taste too disreputable to have a label.

But, alas, as one reads about the dictatorial power of a sinister federal agency known to its friends and enemies alike as the FCCFDAEPACPSCOSHA, there is the nagging feeling that you're alone in reading this new Goldwater book; that those who need to read it won't, and those who already agree won't read it either. Wasn't that a young conservative the other day who said one Goldwater book is like another?

Goldwater doesn't write theoretical works but grants the right assumption, then proceeds to illustrate with case histories the loss of liberty in the red-tape swamp. *Breakpoint's* only drawback, in this reviewer's opinion, is that it doesn't deal directly with Goldwater's distaste for aggressions by the state that sometime receive "conservative" sanction. A chapter outlining the bad manners of the vice squad would have been appropriate here, along with a reiteration of Goldwater's support for the decriminilization of marijuana.

Stylistically, each of his books adopts a conversational tone, and this latest one is a fine example of this. In the introduction, he writes, "In rereading the preceding and following pages, I find that I have occasionally repeated myself. I have allowed these slips to remain because I believe in the power of repetition to stress certain points." One can imagine the composition teacher smiling somewhat patronizingly and nodding her approval. Or: "The do-gooders who believe labor unions can do no wrong and corporations can do no good make me downright sick to my stomach with their righteous, double-standard politics."

It is this informal approach that endears him to us; it is not enough to share values if we cannot also (forgive the liberal twinge) communicate! *The Coming Breakpoint* deserves to be widely read, especially by us.

Brad Linaweaver

"Those who profess to favor freedom, and yet deprecate agitation, are men who want crops without plowing up the ground. They want rain without thunder and lightening. They want the ocean without the awful roar of its waters. This struggle may be a moral one; or it may be a physical one; or it may be both moral and physical; but it must be a struggle. Power concedes nothing without a demand, it never did, and it never will. Find out just what people submit to, and you havethe found out the exact amount of injustice and wrong which will be imposed upon them; and these will continue until they are resisted with either words or blows, or both. The limits of tyrants are prescribed by the endurance of those whom they oppress."

—F. Douglas

contents of volume nine

No. 1, May 1977, $1.50

- Federal Chartering: the New Attack on Corporations/*Henry G. Manne*
- Gun Control Doesn't Work/*Don B. Kates, Jr.*
- A Black Writer's View of Roots/*Anne Wortham*
- Interview with Sidney Hook/*Tibor Machan and Davis Keeler*
- Editorial (Machan)/*Reflections on Corporation Phobia*
- Viewpoint (Machan)/*Archism Revisited*
- Spotlight/*Ted Loeffler*
- Books/*Are Government Organizations Immortal?; Bureaucracy; Revolution, Reform, and Social Justice*

No. 2, JUNE 1977, $3.50

- You Can Profit from the Carter Era/*John Dublin*
- Here Comes Hyperinflation!/*Jerome F. Smith*
- The Lowdown on Gold/*Dr. Harry D. Schultz*
- Investment or Ideology?/*Dennis Turner*
- Why Real Estate Is a Good Investment/*John Kamin*
- Consider Swiss Franc Insurance/*Jurg M. Lattmann*
- Commodity Options/*Stephen Wolf*
- Avoiding Coin Investment Pitfalls/*R. W. Bradford*
- Making the Most of Your Swiss Bank Account/*Harry Browne*
- How to Obtain a Second Passport/*Douglas R. Casey*
- Hong Kong/*Mark Tier*
- Survival Preparedness, A Step at a Time/*Don Stephens*
- Making Money from Sound Money/*Stephen K. Beckner*
- Editorial (Poole)/*Saccharin and Human Liberty*
- Viewpoint (Reynolds)/*The Economy in Perpetual Crisis?*
- Books/*Harry Browne's Complete Guide to Swiss Banks; You Can Survive Any Financial Disaster; The Federal Reserve and Our Manipulated Dollar*
- Spotlight/*John Hagel*
- Money/*Courts and the Taxing Power*

No. 3, JULY 1977, $1.50

- Non-Intervention: A Libertarian Approach to Defense/*Earl C. Ravenal*
- Wishful Thinking Is No Defense/*R. J. Rummel*
- Permissible Defense/*Eric Mack*
- The Conscription Menace Returns/*Ted G. Carpenter*
- Big Business Comes Out of Its Corner... Fighting?/*Thomas W. Hazlett*
- The Myth of the Myth of Mental Illness/*John B. Kizer*
- Editorial (Poole)/*Carter's Energy War*
- Viewpoint (Machan)/*Reflections on Bad Times*
- Spotlight/*Avi Nelson*
- Books/*None Dare Call It Witchcraft; The Principles of American Prosperity*

No. 4, AUGUST 1977, $1.50

- America's Third Largest Party: Failure!/*E. Scott Royce* Success!/*Edward H. Crane, III*
- Interview with Milton Friedman/*Robert Poole, Jr. and Mark Frazier*
- UFO's, Bent Spoons, and Alternate Realities/*Robert Sheaffer*
- The College That Told Uncle Sam Where to Go/*James Dale Davidson*
- Editorial (Poole)/*Whither the Libertarian Party?*
- Viewpoint (Reynolds)/*Draft Journalists*
- Spotlight/*Terry Parker*
- Books/*The Third Industrial Revolution; The Joyless Economy*
- Money/*The Limited Liability Canard*

No. 5, SEPTEMBER 1977, $1.50

- The Great Plutonium Scare/*Petr Beckmann*
- A Day Without Property Rights Is Like a Day Without Sunshine/*Robert Sirico*
- An Open Letter to Nathan Glazer/*Anne Wortham*
- Why We Consent to Oppression/*Peter R. Breggin*
- Those "Natural" Rights Aren't/*John Goodson and David M. Longinotti*
- Editorial (Poole)/*The New Jingoism*
- Viewpoint (Machan)/*Smears on Liberty*
- Spotlight/*Edith Efron*
- Books/*Triton; Introduction to Philosophical Inquiries*

No. 6, OCTOBER 1977, $1.50

- Why Coal Won't Be America's Energy Salvation/*Eugene Guccione*
- Illegal Water/*Carl Cahill*
- Foreign Aid Hasn't Worked—And Never Will/*P. T. Bauer*
- Washington Witch Doctors/*Jeffrey St. John*
- Does Saccharin Cause Cancer? Do Pigs Fly?/*David Levy*
- If the Press Is Free, Why Aren't We?/*Bernard H. Siegan*
- Editorial (Poole)/*The Scientists' Faustian Bargain*
- Viewpoint (Reynolds)/*The War on Energy*
- Spotlight/*Freddie Laker*
- Book Reviews/*Playing the Price Controls Game; How You can Profit from the Coming Price Controls; Come Live My Life*
- Money/*Support Your Local Counterfeiter*

No. 7, NOVEMBER 1977, $5.00 (Xerox copy only)

- The Poverity of Pseudo-Science/*Petr Beckmann*
- Political Nemesis/*Howard Maccabee*
- Doomsday Criers and Technocrats/*Jerome Tuccille*
- Against Mind Medicine/*Antony Flew*
- Marxism Uber Alles/*Paul Craig Roberts*
- Raiding the Academy/*Adam Reed*
- The Mirage of "Social Justice"/*Douglas J. Den Uyl*
- A Wealth of Adam Smith/*Arthur Shenfield*
- The Ethics of Self-Actualization/*Donald S. Lee*
- *Atlas Shrugged* at Twenty/*Tibor R. Machan*
- Editorial (Poole)/*Sink the Floating OPEC*
- Viewpoint (Efron)/*Secular Fundamentalism*
- Experience (Davidson)/*Nowhere Fast*

No. 8, DECEMBER 1977, $1.50

- Trouble on the Range/*Susan F. Mollison*
- How to Win Converts Left and Right/*Michael Emerling*
- Interview with Woody Jenkins/*Tibor Machan and Marty Zupan*
- Inside Branden's Intensive/*Cheri Adrian*
- Why Didn't Anyone Tell Jimmy?/*Phillip Abbott Luce*
- Wrong Answers? No—Wrong Questions/*Paul L. Gross*
- Editorial (Poole)/*Legislative Unemployment*
- Viewpoint (Machan)/*Libertarian Pluralism*
- Money/*Greener on the Other Side*
- Spotlight/*Patricia Brennan*
- Books/*It Didn't Start with Watergate; The 1977 Insider's Banking and Credit Almanac*

No. 9, JANUARY 1978, $1.50

- Drug Prohibition/*Thomas Szasz*
- Rockefeller's Draconian Drug Law/*Sheldon Richman*
- The Curious Politics of Deregulation/*Michael McMenamin*
- New Deal Nemesis/*David A. Pietrusza*
- Panama: the Great Canal Debate: Who Stole What?/*Don Ernsberger* From Rape to Seduction/*William Marina* The Treaty: A No-Win Proposition/*Craig Roberts* A Canal Free-Zone/*Hans F. Sennholz*
- Editorial (Poole)/*Weapons Choice and Lesser Evils*
- Experience (Davidson)/*The Age of Dumb*
- Viewpoint (Reynolds)/*Going Backwards*
- Spotlight/*A. Lawrence Chickering*
- Books/*Other People's Property; No Land Is an Island; The California Coastal Plan—A Critique*

No. 10, FEBRUARY 1978, $1.50

- Houston Defies the Planners... And Thrives/*Dick Bjornseth*
- Selling Protection/*Stephen G. Barone*
- Interview with William Simon/*Thomas W. Hazlett*
- Imperial Valley Rip-Off/*Craig Roberts*
- The Course of Human Events/*Felix Morley*
- Editorial (Machan)/*The Real Problem with Bakke*
- Viewpoint (Efron)/*Warning to Constitutional Republicans*
- Money/*Why Deflation Will Not Happen*
- Books/*The Adventurer's Guide; The Foundations of Modern Austrian Economics; The Economics of Ludwig von Mises; My Years with Ludwig von Mises*

No. 11, MARCH 1978, $1.50

- Back to the Land: Environmental Suicide/*James R. Dunn*
- Deregulation Is a Moral Issue/*Tibor R. Machan*
- Billion Dollar Bumpers/*Jack Solomon*
- A Challenge to Self-Ownership/*George I. Mavrodes*
- Who Gets What?/*Alan Reynolds*
- Editorial (Poole)/*Toward an Educational Renaissance*
- Experience (Davidson)/*The CIA and the Occult*
- Viewpoint (Machan)/*On Neglecting Ethics*
- Spotlight/*Butch Otter*
- Books/*The Capitalist Reader: The Unconstitutionality of Slavery; Review of Spooner's Essay on the Unconstitutionality of Slavery*

No. 12, APRIL 1978, $1.50

- The Abortion Debate: Woman & Fetus: Rights in Conflict?/*Walter Block* A Matter of Life and Death/*Karl T. Pflock* The Morality of Noninterference/*Tibor R. Machan*
- F.A.N.S.—Further Adventures of Nader's Sophists/*Peter Fasolino*
- Interview with Earl C. Ravenal/*Manuel S. Klausner, Tibor R. Machan, and Robert Poole, Jr.*
- The German Non-Miracle/*Thomas W. Hazlett*
- Editorial (Poole)/*The Coming Social Security Crisis*
- Viewpoint (Reynolds)/*Energy Conservation: How Much Is Too Much?*
- Spotlight/*George C. Roche, III*
- Money/*The Strong Get Stronger*
- Books/*Behavior Mod and the Managed Society; The Myth of the Hyperactive Child; The Tomorrow File; The April Game*

Back Issue Department
Reason
Box 40105
Santa Barbara, CA 93103

Please send me one copy each of the 1977-78 back issues which I have circled:

1 2 3 4 5 6 7 8 9 10 11 12

I am enclosing full payment for all back issues I ordered, in the amount of $_____.

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

frontlines

New York

Gary Greenberg, the campaign manager of Fran Youngstein's pathbreaking 1973 bid for Mayor of New York City, is the Free Libertarian Party's nominee for Governor of New York State.

Gary, a veteran libertarian activist and a criminal attorney practicing in New York City, stresses the importance of running a "pure" campaign. "The Libertarian Party should function as a political conscience," he says. When asked what would be his first official act as Governor—if elected—he has replied that he would grant an immediate pardon to everyone imprisoned under New York State law for practicing a victimless crime.

No one, of course, expects Gary to get elected, but we do expect him to be the only candidate in the race saying anything worth hearing about New York's political problems.

New York City is not only the media capital of the country, but also the showplace of state (and local) big government in America. It has long had one of the strictest gun control laws in the country and it still has a serious violent crime problem. The "Empire State" also has a large army of bureaucrats and its taxpayers bear one of the heaviest burdens in the United States. There is a New York State income tax, a New York City income tax, and a complicated patchwork of state and local sales taxes that total as high as eight percent in some areas.

Not surprisingly, both Republicans and Democrats are up to their ears in statism. The two party system has become so degenerate in New York that virtually every important controversial issue becomes submerged in a "bipartisan approach," with the major party politicos quibbling over the personalities of candidates and the details of almost identical proposals. A good Libertarian campaign could be the most interesting political event for the news media to cover.

Here is a sketch of the current New York political scene:

The continuing fiscal crisis of the New York City government has become one of America's leading political soap operas. The Democratic Mayor (Ed Koch) has received support from the Democratic Governor (Hugh Carey) for increased state aid to the City and both men have joined the chorus chanting for federal money. The leading Republican challenger (State Assembly Leader Perry Duryea) is the newest member of the choir. Eager to shed his image as a "fiscal conservative," Duryea opened his campaign several weeks ago with a promise of more state aid to New York City. Unless one of New York's perennial Marxists opts for a Leninist approach to the situation, the Free Libertarian Party standard bearer will be the only person in sight opposing a federal rescue of the City.

Whatever happens in New York will set a precedent for the rest of the country. Every journalist in New York and Washington is aware of this. The role of print and broadcast communications needs to be emphasized here. In the past, the New York City mayoral campaign and the New York State gubernatorial campaign have attracted attention from coast to coast. In 1973 and 1974 Free Libertarian Party candidates broadcast television commercials that reached a large and potentially influential audience. In 1974, nationally syndicated columnist Nicholas von Hoffman took the trouble to spend several hours with FLP campaign workers and to put his generally favorable impressions into print. That same year the Tuccille for Governor Campaign sparked articles in *The New York Times* and got libertarians a full page writeup in *Newsweek*. Although not an unqualified success, the campaign did generate more national publicity than any previous LP campaign.

THE ISSUES

Many voters throughout the state (and the nation) are fed up with the wormy politics of the Big Apple and a hard-hitting Libertarian campaign is just what the doctor ordered.

New Yorkers who are concerned about violent crime may very well be treated to an emotional (and probably irrational) debate over whether or not to reinstate capital punishment. None of the gubernatorial contestants is likely to have anything valuable to say about the street crime problem. Gary can address the issue from a libertarian perspective with the expertise of a criminal attorney who is familiar with New York's criminal justice system.

There is also the "Westway" controversy—the battle over a proposal to use federal subsidies to build another highway on the West Side of Manhattan. Most of the opponents of this multi-billion dollar boondoggle have been demanding that the money be used instead to subsidize mass transit construction. It will be nice to hear someone step forward and say: "A plague on both your houses."

In short, 1978 presents the New York Free Libertarian Party with a rare opportunity to kick the government when it's down. The most bureaucratic city government in the nation will be publicly begging for outside assistance for its self-induced crisis. The nation's most statist state will be contending with the nation's most overburdened taxpayers in its worsening struggle to make ends meet. And New York's most ideologically important candidate will be urging the repeal of all victimless crime laws, opposing federal subsides for New York City and telling the press that we should turn Manhattan island into an international free trade zone. This last is only one of the radical proposals that Gary has up his sleeve. The idea is to turn New York into a new Hong Kong, to encourage private companies to locate in Manhattan. Jobs for New Yorkers and more and better goods and services for people repeatedly screwed by the government's disservices would be an obvious benefit.

The candidate, who was the Finance Chairman of the 1974 Free Libertarian gubernatorial campaign, has estimated that $35,000 is the bare minimum needed to bankroll an effective campaign. Anyone interested in contributing should make checks payable to Greenberg for Governor, c/o Free Libertarian Party, 15 West 38th Street, Room 201, New York, NY 10018.

This one campaign will not undo several decades of damage, but it can be a pioneering effort in the cause. As students of American history know, there is something to be said for pioneers.

Joe Cobb

This column is concerned with an analysis of activities on the "frontlines" of the battle of political principles, and with news about people who are active in the struggle. We appreciate news and ideas from readers. Please send materials to Joe Cobb, Box 1776, Chicago, IL 60690 for consideration and use in FRONTLINES.

movies

(Continued from p. 65.)

wait for more than two years to see this film after it was completed. One wonders why; but it was eminently worth waiting for, and one reviewer at least would be glad to nominate it as the finest film released in the United States in 1977.

— J.H.

viewpoint

(Continued from p. 62.)

civilization.

That is why it is erroneous to concentrate exclusively on the political dimension of existence—even on liberty, our most supreme political value—and to ignore or minimize the question of the horrifying decline of the civilization around us. Individual liberty and modern civilization are *interlocking* values. They emerge from the same philosophical roots. And it is as important to fight to save crucial aspects of our culture as it is to fight against certain inroads into our freedom. Indeed, depending on the issue and the degree of cultural degeneration, it may be more important to fight on the deeper civilizational front than on the specific political front. Certainly it is a grave error to conceive of the battle that confronts us as a battle for political liberty alone. The libertarian movement will not be mature and fulfilled until it has been widely understood that the problems of a rotting civilization are not solely reducible to the political-economic dimension. There is something hopelessly arid and even pathetic about such reductionism in a battle against a cultural catastrophe.

Those who fight for the crucial rational values of western civilization—those who fight against the new breed of savages and for the highest possible standards in their own fields of work—may be contributing as profoundly to the wider battle as is an economist or political theorist. One can only make an impact on society in the area of one's competence. It is far more important to be a competent engineer, or educator, or journalist, and to build upon that base of competence, than it is to be an incompetent theoretician of liberty. This truth—dramatically embodied by Petr Beckmann, who has converted his own professional competence into a mighty weapon—merits your serious consideration. In his honor, I shall call this truth "The Petr Principle." Properly understood, it can liberate the suppressed and distorted energies of thousands in this movement who are trying to fight in ways for which they are not prepared—and who may be professionally lodged on a crucial barricade without being aware of the challenge that faces them, of their ability to meet it, or of the immense significance of their potential contributions.

Contributing editor Edith Efron writes a regular column for *TV Guide* and is the author of several books. Her viewpoint appears in this column every third month, alternating with those of Alan Reynolds and Tibor Machan.

spotlight

(Continued from p. 64.)

But Liebeler recognizes the limits of this type of inter-bureaucratic warfare. "There is a very serious problem with my attempts to use one regulatory agency to rid ourselves of other forms of regulation or to rid ourselves of inefficient work rules and the like which have resulted from government intervention in the market place on the side of trade unions. While my efforts were, of course, 'benign,' in the sense that they were truly pro-market, there is nothing to prevent the next bunch which happens to get control of the FTC to use its power, which my approach would have greatly expanded, to do quite different things. I understand that the present FTC Chairman has mentioned the possibility of finding the employment of workers who do not have their working papers in order to be a violation of Section 5 of the Act. This is an anti-market proposal, of course, but I'm sure it would not be hard to find those who did not understand that. On the other hand, if the FTC is going to be spending the taxpayer's money it ought to be doing things that have at least some chance of improving the economic welfare of the community. Most of its traditional activities do not fall in that category; at least in the short run my deregulation proposals did."

The unauthorized publication in BNA's *Antitrust & Trade Regulation Reporter* of Liebeler's detailed, controversial, and confidential studies of the FTC's internal budget proposals caused considerable outcry. These memoranda, which were internal staff products, leveled serious criticisms at the Commission's current antitrust and consumer protection activities. Liebeler urged significant changes in the FTC's case selection methods, proposing a set of objective standards based on the estimated effect of its activity on consumer welfare. These standards, Liebeler argued, would not only force the FTC to be more accountable and predictable, but also would improve its use of resources by redirecting its activities to where the pay-out for consumers would be highest, such as the deregulation proposals mentioned above.

Liebeler favors the outright abolition of many federal agencies and is not particularly concerned that such moves would probably cause private losses to some who have benefitted from the agencies' activities in the past. He recognizes, however, that it may be necessary to compensate some of those private interests, if only to overcome political opposition to the reintroduction of market forces

Does your Gold earn interest?

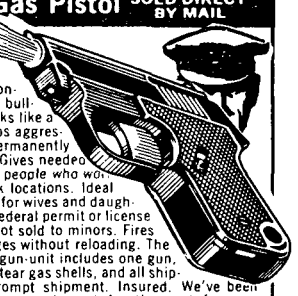
Our current gold accounts (which are equivalent to checking accounts) pay 1.2% per year and our gold notes, if available, pay 4% per year.

What's more, our current accounts—dollar or gold—can provide absolute privacy, with cost and facility of use comparable to commercial bank accounts.

Send two U.S. first-class stamps for details.

Anthony Hargis & Co.
490 E. Walnut #6
Pasadena, CA 91101

World Famed BREVETTATA Tear Gas Pistol SOLD DIRECT BY MAIL



REQUIRES NO PERMIT
Solid metal construction with bull dog grips, looks like a real gun. Stops aggressor without permanently injuring him. Gives needed protection for people who work in lonely, dark locations. Ideal night security for wives and daughters. Still no federal permit or license needed, but not sold to minors. Fires seven cartridges without reloading. The price of each gun-unit includes one gun, ten rounds of tear gas shells, and all shipping cost. Prompt shipment. Insured. We've been selling tear gas equipment for the past fourteen years. Thousands of satisfied customers.

☐ 1 Gun-Unit $17.00
☐ 2 Gun-Units @ $15 ea. .....(total $30)
☐ 3 Gun-Units @ $14.50 ea. ..(total $43.50)
☐ 4 Gun-Units @ $14 ea. .....(total $56)
☐ 6 Gun-Units @ $13 ea. .....(total $78)
☐ Extra tear gas shells .....$3 for ten
☐ Blanks for practice .....$2.50 per 100
☐ Holsters .....$2.50 ea.
☐ Tear Gas Antidote, Bottle $2.88

NAME ... CITY ...
ADDRESS ... STATE ... ZIP ...
Enclosed is ☐ Check for $...
☐ Money Order for $...
or charge my ☐ Master Charge ☐ BankAmericard
Card Number ...
Exp. Date ... 1975 Brevettata
Signature ...

ORDER BY MAIL from BREVETTATA
Dept. L.L., 310 W. 9th St.
Kansas City, Mo. 64105

SMOKERS TOOTHPOWDER
removes tobacco film

This activated British toothpowder is a strong power against the most stubborn and ugly tobacco stains, while gently refreshing your mouth. Regimental formula, used by Winston Churchill, $2.50 a tin and worth 3 times the price.

LINK LABORATORIES, Dept. R,
Box 7243 - Kansas City, MO 64113

into previously sheltered areas.

As to the future of deregulation, Liebeler is cautious. He notes that the "efforts in the airline industry look promising, but at the same time new and much larger and more powerful regulatory agencies have recently mushroomed." He observes, for example, that the growth of the Environmental Protection Agency and the creation of the Federal Energy Administration—during a Republican administration—have created power centers that far exceed anything that can be found in the old-line regulatory agencies.

"In a sense those of us who oppose government's interference in the market are involved in an enterprise that is the reverse of that of Sisyphus," Liebeler suggests. "We get to the point where we are about to kick the CAB down the hill and we turn around to find EPA, FEA and a host of other dead weights right behind us."

The answer? "As with Sisyphus, more of the same, I suppose," concludes Professor Liebeler. By that he means more of the education, scholarship, litigation and so on that has brought the deregulation movement as far as it has come today.

—Manuel S. Klausner and Shawn Steel

letters

(Continued from p. 13.)

Childs in *Option* and Wm. Evers in *Journal for Libertarian Studies* agreed with my analysis—accusation—by saying that in their version of natural law the consent of the accused to the form of justice he is tried under is not morally required.)

Many of you who call yourself "anarchist" because you oppose the tyranny of statism would be well satisfied by the conception of voluntarist government if you took time to study it. Advocacy of a voluntarist society does not automatically make you an anarchist—not an anarchist at all if my analysis of Rothbard's defense agency society is correct. You must study both with your own mind to find out.

Paul Beaird
Orange, CA

Toward Understanding

If I were a man of prayer, I might humble myself upon my knees and ask that Edith Efron's Viewpoint of February vanish from the earth. (Un) Fortunately, since I am not a man of prayer and after further introspection, I believe difference of opinion freely expressed is a good thing.

In brief, Ms. Efron asserted that "major figures of the Libertarian Party" and other libertarians had "crawled into bed" with the collectivist, anti-American-Left. This alliance, she says, will be the downfall of the libertarian movement. Futher she states that this state of affairs was principally caused because constitutional republicans had erred in striking an agreement with anarchists to suspend their endless quarrel. Since I am a minor figure in the Libertarian Party (Nevada State Chairman), an eventualist anarchist, and I have a burning desire to "crawl into bed" with certain members (attractive females) of the political left, I think I am qualified to say a few words about Ms. Efron's article.

The evidence offered that the LP is moving left is that "a burnt-out derelict of the New Left named Timothy Leary appeared on the platform of the last Libertarian Party Convention to prate about his drug-soaked understanding of liberty." This argument is definitely adhominem and implies that Mr. Leary was incoherent and not worthy of being listened to. On the contrary, while it is true that Mr. Leary has isolated inconsistencies (flaws which Ms. Efron justly finds forgivable in Milton Friedman and Irving Kristol), it is not true that Mr. Leary is incoherent or that his understanding of liberty is totally worthless. Alas, dear readers of REASON, must I remind you that Timothy Leary was interviewed by REASON a few months before the LP Convention. Does this mean that REASON has crawled into bed with the New Left? I think not.

Ms. Efron maintains that libertarians should neither ally themselves with the Left nor the Right. I disagree, we should neither accept their philosophy nor endorse their anti-libertarian positions. However, when they are on our side, we need their help and they need ours: Friendliness works better than antagonism.

Ms. Efron's opinion that the United States government is not a mass murderer will not stand up to even minor critical analysis. Does she so quickly forget the 50,000 Americans of Vietnam, not to mention the Vietnamese? I further believe she would be hard pressed to defend her seemingly hawkish foreign policies and the defense of the honorable (sic) FBI and CIA.

I found it amusing that in the same paragraph that Ms. Efron accuses the anarchists of crawling into bed with the *collectivists* (guilt by association), she expressed the need of the constitutional republicans for an affirmative "value of nation, the necessity of a national culture...." Now did I miss the boat or is that collectivism? Not that collectivism is necessarily bad so long as it is voluntary but it appears to me that guilt by association is less harmful than guilt by advocacy.

In closing, I would like to point out that different people have different values of liberty. To some, economic freedom is the most important, to others, civil liberty is critical and to still others, peace is of paramount concern. We libertarians know that all are essential to each other and that it is impossible to achieve one and maintain it without the others and that in fact they are all the same thing: liberty. I ask that libertarians show a little understanding of these different values and forgive and, yes, support those who have different priorities than themselves.

James Libertarian Burns
North Las Vegas, NE

Silent Majority

Bravo to Edith Efron and REASON magazine! Ms. Efron's article has needed saying by someone with clout, not in the Libertarian Party, for the past three years, if not longer. Limited governmentalists in the Party sure could have used it as added ammunition during the 1977 California Convention. At that time a concerted effort was made to bring the matter

Coming Next Month:

Next month brings REASON's fifth annual special financial issue—a compendium of ideas and analysis on the state of the economy and what you can do to protect yourself. Among this year's contributors are investment advisor William F. Rickenbacker, *Deaknews* editor Steve Beckner, *Tax Angles* editor Vern Jacobs, *Green's Commodity Markets Comments* editor Charles Stahl, coin experts R. W. Bradford and Walter Perschke, stock market advisor Lloyd Clucas and tax haven expert Alvin Rabushka. In this issue you'll learn how to utilize gold clauses in your contracts, how to choose a business that is less taxed than most, how to buy rare coins, what's likely to happen to silver this year, why 1978 may be the *best* time in years to invest in the stock market, how to decide if you really need life insurance—and what kind to buy, and much more. Don't miss it!

50 PERCENT RETURN

For years, many investors have been earning a 50 percent return on investments, and often much more.

How do they do it? By investing in silver, gold, grains and the many other commodities traded on the international markets every day. Unfortunately, the financial and risk requirements for such ventures have been, until now, greater than most people could comfortably handle. And the successful investor has almost always had years of experience in commodities, and the time to constantly monitor daily trading activity.

But now, with the resources of a company with an impeccable 140-year international business record in world commodities, SNW Commodities Ltd. gives the investor with limited venture capital the opportunity to net extraordinary gains in commodity futures trading with a completely limited risk.

The SNW Managed Account program has a performance record of consistently high profits. What's more, no SNW Managed Account has ever generated a margin call. Does this mean we can guarantee you will never receive a margin call? Yes, it does. We can and we do. In writing. *We're that sure of our program.*

For more information concerning this unique investment program, simply fill out and mail the following coupon.

Winston - Chandler, Inc. 1050 Northgate Drive, Suite #444, San Rafael, California 94903
Exclusive Agent for SNW COMMODITIES, LTD.
MEMBERS:
INTERNATIONAL COMMODITY CLEARING HOUSE
NEW YORK COMMODITY EXCHANGE (COMEX)
NEW YORK SUGAR AND COFFEE EXCHANGES
NEW YORK COCOA EXCHANGE
GAFTA SOYBEAN MEAL FUTURES ASSOCIATION
UNITED TERMINAL SUGAR MARKET ASSOCIATION
LONDON COCOA TERMINAL MARKET ASSOCIATION
COFFEE TERMINAL MARKET ASSOCIATION OF LONDON
LONDON WOOL TERMINAL MARKET ASSOCIATION
LONDON GRAIN FUTURES MARKET
LONDON RUBBER TERMINAL MARKET ASSOCIATION
ALL PARIS COMMODITY EXCHANGES
OFFICES: London Paris Geneva Frankfurt Kuwait

Please send me a free copy of your booklet on "SNW MANAGED ACCOUNTS"

Name _____
Address _____
City _____ State _____ Zip _____
Home Ph. _____ Business Ph. _____

to a head, with pamphlets on the anarchy/limited-government argument, written by both John Hospers and William Westmiller, being distributed to all, and ignored by most of the delegations. An amendment, which would have made clear once and for all that the Party was dedicated to a *government* that is limited to the protection of individual rights, never even got a hearing due to the anarchist majority of delegates. In fact, there were 15 "Objections to Consideration" at that convention, with a clearly defined line between the two factions.

One libertarian leader who has consistently said "Stop, look and listen to what you are advocating" is John Hospers. He has never, to my knowledge, addressed a libertarian gathering without trying to correct the Rothbardian influence in regards to foreign policy and domestic defense. To no avail! Why, limited-governmentalists have had to fight just to get him on the podium at his own state convention, even though he has proven to be one of the largest money makers, and to draw the largest crowds for the Party.

The truly sorry thing about the turn of events in the Libertarian Party is that the leadership is not representing the membership in their anarchistic bent, but are speaking for the anarchist activists only. What is needed is to have that vast majority of silent members demand that their party be returned to them, or that the name be changed to the Anarchist Party, the Party of Flexible Principles, and DROP OUT!

Shirley M. Gottlieb
Reseda, CA

CORRECTION: In the March 1978 issue two of the departments in the magazine were largely the work of a REASON intern. John Lott, a UCLA economics major, wrote the Spotlight column (on Butch Otter) and much of the Trends column. Our thanks to John and apologies for failing to list his name in the issue.—**Ed.**

classifieds

BOOKS

THE INCOME TAX IS OBSOLETE. Arlington House. Hardcover, 298 pp. $4.95. Best critique of our inquisitorial tax system. Order from Liberty Books, Dept. RN, D. Philip & Co., 13006 Philadelphia St., Whittier, CA 90601.

THREE NEW BOOKS BY LUDWIG VON MISES: A Critique of Interventionism—$8.95; On the Manipulation of Money and Credit—$14.00; Notes and Recollections—$9.95. All postpaid. Also available—free, catalog of over 700 books. Laissez Faire Books, Dept. R5, 206 Mercer St., NY, NY 10012.

GAY RIGHTS: A LIBERTARIAN APPROACH by Ralph Raico—12 page booklet—10 copies for $1. Angriff Press, Box 2726, Hollywood, CA 90028.

HOW TO COOK YOUR CATCH—Dressing and cooking fish is a satisfying accomplishment comparable to catching the battler in the first place. Price $3.00; Universal Life Church Restaurants, P. O. Box 303, Hawthorne, NJ 07507.

DEFENDING THE UNDEFENDABLE by Walter Block. "Controversial!" "Startling!" "Illuminating!" Price: only $9.95! *Money-back guarantee,* if unsatisfied. Or send for free brochure. Fleet Press, Box 2R, BK, NY 11235.

ROBERT LEFEVRE's new booklet "Good Government: Hope or Illusion?" ($1.95). Also write for free catalog of other material. SLL, Box 4, Fullerton, CA 92632.

COUNTERFEITING Information. Photocopy and off-set. "Blue Book on Counterfeiting." Illustrated. $2.95. RJM, Box 1051, Winters, CA 95694.

BUSINESS OPPORTUNITIES

CUT TAXES LEGALLY: Obtain specifics by surveying prospective sites of a new automatic international communication system; related travel costs are fully tax deductible. Franchises available for U.S. and foreign territories. Write Business Tours, Box 731, Sedona, AZ 86336.

EMPLOYMENT

TYPIST, needed to learn computerized typesetting. Accuracy and good spelling a must.
(*Continued on next page.*)

(*Continued from previous page.*)
Part time or full time position available. San Jose, California area. Telephone days Jean Graphics, (408) 268-4066.

WANTED, Press operator for a stateless print shop in the Los Angeles area; experience not necessary, just a willingness to learn and work; wage negotiable and no withholding. Send two US first-class stamps for information: Anthony Hargis & Co.; 490 E. Walnut, #6, Pasadena, CA 91101.

I AM LOOKING FOR a challenging job. The more challenge the better. I will want to be paid commiserate with the results of my work. I am 22 years old, intelligent and a quick learner, with a good deal of mechanical and some electronics background. I live near Los Angeles now but will relocate for the right opportunity. Please write Thomas Stearns, 4069 W. 141 St., Apt B, Hawthorne, CA 90250.

FINANCIAL

FREE BOOKLET FOR INVESTORS describes many unique markets, investment mediums and services available at ABT, the nation's first exchange and marketplace serving average investors at the grassroots. Send today for free copy of "ABT Markets and Investment Mediums." Write: Arthur N. Economou, Pres., The American Board of Trade, Inc., 286 Fifth Ave., Dept. J, New York City, 10001.

HOW MANY FIAT DOLLARS have you lost from colds and flu? Year round specific prevention and cure from doctors reports. Detailed info. $3.00. Box 1492, Garden Grove, CA 92640.

BUY SILVER COINS at face value. Complete details $1.00. Satisfaction guaranteed. Bannon, Dept. R-4, P. O. Box 942, Pittsburgh, PA 15230.

PERSONALS

KNOW YOURSELF BETTER through character analysis. Send $12 with birthdate and 100 word handwriting sample to Emily, Box 68, Windsor, OH 44099.

ARTISTS: I'm seeking information about: 1) good representational oriented art schools, 2) possible employment in another part of the country, and 3) your personal comments on art. I'm a 24 year old objectivist, a professional bronze craftsman/founder, and a serious student of art. Joel Tea, 4942 Eastlake Drive #14B, SLC, UT 84107.

DEAR LADIES WHO READ REASON: Having written a previous personal ad without response (Feb. 1978), I wonder, what does it take to get you off your butts to write a letter or make a phone call? I'm not a "completely gentle, sensitive" (weak) person; nor a "philosophically high-minded" (afraid of lust) person; not a hider (no last names; REASON Post-office Box instead of an address). I'm not a sad-sack, but I'm very lonely. That's why I want to hear from you so very much. Won't you contact me and say hello? Write Mike Rael, 4408 Lockwood, Apt. 104; L.A., CA 90029 or call (213) 665-2648. Hoping to hear from you soon, Much Love (in advance), MIKE (I am 32 years old.)

ANYONE KNOWING THE WHEREABOUTS of Dave A. Adams (formally of L.A. area) please call Frank Prindible (707) 745-6216.

OBJECTIVIST MAN, 24, studying electrical engineering, desires relations with a rational woman, up to 30 years old. Ron Avni, P.O.B. 1352, Austin, TX 78767.

SEE FREEDOM'S WONDERS. Japan, Taiwan, Hong Kong, 7-30-78 to 9-2-78. Travel with libertarians—meet exciting people. Tokyo, Kamakura, Ise, Nara, Kyoto, Osaka, Kobe, Taipei, Taroka, Kaoshiung, Victoria, Kowloon, Macau, & more. "Students," all ages. $2000 from Seattle. Information: HES, 10452 SE 23rd Street, Bellevue, WA 98004.

WANTED: INDIVIDUALS. Two libertarian-objectivist oriented men looking for additional person(s) interested in the formation of a monastery. The adherents would pursue their 'way of life' in accord with the precepts of Agorism, without compromise or submission to State interference. Write: Hyll Farm, Stevenson, MD 21153.

FLATULENT? (Frequently?) Flaunt it and fear not!! Read Benjamin Franklin's long-suppressed essay of 1780 on farting. Hilarious! Frameable. $3, "Essay," Box 69A, Carrboro, NC 27510.

LOOKING FOR OBJECTIVIST TYPES in Florida, NYC and Indiana areas. Walter Karwicki, II, Physics Dept., U. of Fla., Gainsville, FL 32611.

MISSING: Objectivist/Libertarian goddess in Minneapolis-St. Paul area. Description: has inner radiance, outer beauty, high self-esteem, in mid-20's, thinks *and* feels. Contact: Jon, 935-5836. Reward.

TO LEE ROBERTS (The State's Second Greatest Living Enemy): Bushels and pecks and hugs 'round necks. From your not-quite-anarchistic friend, Curly Bumps.

PRODUCTS

SYNTHETIC LUBRICANTS, best values. 25,000 mile motor oil gear oil, chassis grease, carburetor cleaner more. Free enterprise dealer opportunities. Anderson Engineering, Epsom, NH 03234.

FIAT MONEY—genuine Assignats, dated 1792, the originals made famous by White's FIAT MONEY INFLATION IN FRANCE. $3.75 each; 10 or more $2.90 each. Liberty Coins, 300 Frandor, Lansing, MI 48912.

BOYCOTT THE OLYMPICS

1. Don't dignify the Russian government.
2. Protest amateur sports – allow athletes the monetary fruits of their efforts.
3. Protest NBC's contract with Communism

MUTUAL ASSURED DESTRUCTION
IS **MAD**
WE NEED
USA
UNILATERAL SURVIVAL ASSURANCE

For more label-ideas, send self-addressed stamped envelope to HJC, P. O. 725, PJ, NJ 08550.

PUBLICATIONS

VERSUS STATE premiere organ of the radical-militant, anti-statist underground. Now read in three continents! Six issues $12.00, singles $2.25. Information packet $1.00: 8314 Mary NW, Seattle, WA 98117, (206) 782-4651.

READ *LIVE AND LET LIVE* for your spiritual stimulation. Free samples. Church of Eternal Life & Liberty, Box 622, Southfield, MI 48037.

DAILY commentaries of current events from an Oregon libertarian radio news analyst. Compiled twice monthly. Now only $12 per year. ERNIE ROSS REPORT, 565 West Harlow #52, Springfield, OR 97477.

New Special **AMERICAN ATHEIST MAGAZINE;** $15.00 a year; sample copy $1.50; editor Madalyn Murray O'Hair, P. O. Box 2117, Austin, TX 78768.

ERGO—the libertarian weekly published at MIT. Circulated at MIT, Harvard, and Boston U. Covers current events in politics and education, books, serious music. Subscriptions: $10.50/academic year 1st class; $5.50 3rd class. ERGO, 3 Ames St., Cambridge, MA 02139.

NO-LOSS life insurance plan. 45 year comparison for $4.50. Life Insurance Educators, Inc., 15 Estabrook Road, Wallaston, MA 02170.

SERVICES

MEMBERSHIP ROSTERS/MAILING LABELS. Computerized for small organizations. Describe requirements for quotation. Civic Associates, Box 38R, Mount Vernon, VA 22121.

DR. NATHANIEL BRANDEN offers his forty-hour Intensive on SELF-ESTEEM AND THE ART OF BEING in an increasing number of cities throughout North America. For information, contact the Biocentric Institute, 9255 Sunset Blvd., Los Angeles, CA 90069. (213) 274-6361.

TRAVEL

STUDENT TRAVEL, homestays, libertarian contacts in Japan, Taiwan, Hong Kong. July 30-Sept. 2, 1978 from Seattle, $2,000. Contact for details: Howard E. Schmidt, 10452 S.E. 23rd St., Bellevue, WA 98004.

RELAX IN NORTHERN ARIZONA!!! Wetherill Inn, a modern air conditioned motel offers color TV, combination tub/shower. Comfortable accommodations right at the gateway to breathtaking Monument Valley in the heart of the Navajo Reservation. A photographer's dream in rugged Navajo Land. For reservations, write or phone—WETHERILL INN MOTEL, P. O. Box 175, Kayenta, AZ 86033—602-697-3231 . . . on hiways 160 and 163 . . .

RATES: 25 cents per word, $5.00 minimum. For REASON box number instead of personal address, add 50 cents per insertion. Forwarding postage paid by advertiser. *All orders must be accompanied by payment,* and copy should reach us by the first day of the second mouth preceding the month of issue (e.g., advertising for the March issue, which is mailed in early February, should reach us by Jan. 1.)

THE CLASSIFIED AD DEADLINE FOR THE JULY ISSUE IS MAY 1, 1978.

SELF-ESTEEM AND THE ART OF BEING®

An Invitation to attend a workshop conducted by **Dr. Nathaniel Branden** — author of "The Psychology of Self Esteem," "Breaking Free" and "The Disowned Self."

"I have never been exposed to someone who brings their students more insightfulness, experiential learning and energy than does Nathaniel Branden. When I got over being impressed, I found my life had changed."
Jack Linkletter
Management Consultant

"... the overall effect is one of ongoing, self-perpetuating growth, rather than diminished effect with time."
Joseph Barber, Ph.D.
UCLA School of Medicine

"I suppose that personal discovery of the most intimate nature could be frightening, but for me it was joyously exhilarating. Identifying and removing self-imposed limitations on one's potential is a great experience by itself. When you add to that the opportunity to watch Branden work with a group and with individuals, the intensive is also a great education and entertainment bargain."
David P. Bergland
Attorney

"The intensive stripped away the fake 'I am OK' that I presented to the world ... I know now that I can lift (that suppression) and really be OK."
Morten Lund
Journalist

"... I found the experience of participating in this exercise in self-exploration to be an extremely rewarding and challenging one."
John Hospers, Ph.D.
Professor of Philosophy, USC

"I found the workshop to be personally valuable ... I especially like the way in which exercises, sharing of experience by participants, questions and discussion of concepts are blended."
Charles Kelley, Ph.D.
Director, Radix Institute

"Nathaniel Branden's intensives on self-esteem have enabled me to tap new sources of inner energy and power."
Walter Mickleburgh
Manufacturer

SELF-ESTEEM AND THE ART OF BEING and a new Intensive, SELF-ESTEEM AND ROMANTIC RELATIONSHIPS, will be held regularly throughout 1978 in **Los Angeles, Detroit, Chicago,** and **New York City.** For dates, times, and further information, please contact:

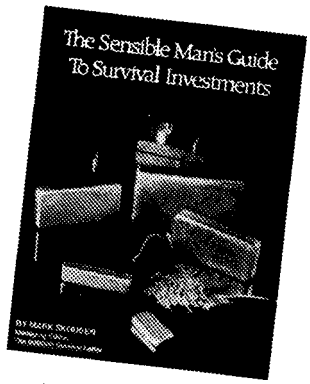
For Detroit: Lee M. Shulman & Associates
751 Hendrie Boulevard
Royal Oak, Michigan 48067
(313) 541-2660

For Chicago: Edward M. Pearl, Ltd.
100 N. La Salle Street
Chicago, Illinois 60602
(312) 236-8694

All Others: The Biocentric Institute
9255 Sunset Boulevard
Los Angeles, California 90069
(213) 274-6361

Self-esteem and the art of being®

GOLD!



Does its changing economic role hold "breakthrough" financial opportunities for you?

Now at last, a recognized expert in monetary economics brings you the 'inside essentials' of precious metals investing.

"Ties Growing Between Dollar and Gold," announced my morning edition of a leading national daily. The article explained how the 'gold clause' proposed by Senator Helms would permit contract and even wage payments in gold—how, in the words of one specialist, it makes gold ". . . the standard for the dollar"—how some utilities are thinking of offering gold-backed bonds—and how even Treasury officials support the 'gold clause.

Yes, gold is back making headlines. And you, like other Americans with savings and an income to protect from the ravages of inflation, have probably at least thought about investing in gold or other precious metals at one time or another.

You were probably turned off, though, either by the idiotic 'doomsday' rantings of the hard-money nuts . . . or prices that seem to rise and fall without meaning . . . or the government's constant frowning on such investments.

WELL, MARK MY WORDS...

in answer to all your doubts and questions, I'd like to give you—right now—one undeniable truth well worth remembering:

When managed with a basic, reasonable understanding, precious metal investments DEFINITELY DO offer advantages above and beyond the stock market, bonds, or savings accounts . . . advantages that can preserve your purchasing power, reduce your tax load, and add considerably to your overall wealth in the process.

And the economy doesn't have to fall apart before you can gain these benefits either.

Notice however, that the key lies in having a "basic, reasonable understanding" of how to manage such investments. Up to now, that's really been just about impossible for the average investor. Sure, there are one or two excellent newsletters on the subject (I happen to edit one of them). But that means learning in monthly installments. Books? Most require some previous experience. The rest are just self-serving drivel by hard money touts.

THAT'S WHY I DID IT!

That's why I decided to bring together the sum of my own knowledge and background (plus the input of as many other authorities as I could tap) to produce an 'A to Z' guide that would fill this glaring investor-information gap.

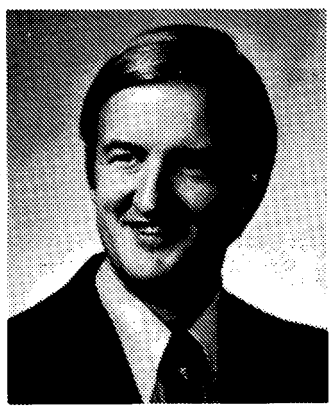
The result is called THE SENSIBLE MAN'S GUIDE TO SURVIVAL INVESTMENTS. And the title pretty well sums up the book. Here, gold and silver in their various forms, together with gemstones, are treated with the same serious professionalism and factual detail that you've come to expect with other, more traditional kinds of investments.

This approach tends to make precious metal investments logical, practical, even appealing.

Unlike so many previous books that treated precious metals and gems *purely* as "survival investments" (commodities to be bartered for food and services in the event of an economic disaster), THE SENSIBLE MAN'S GUIDE TO SURVIVAL INVESTMENTS accentuates the positive—how to manage such investments wisely and profitably *regardless of economic conditions!*

SPECIAL FEATURES INCLUDE...

- —how to set up an IRS-approved retirement program investing in gold, silver, diamonds, stocks, even real estate. (List of selected firms provided.)
- —how to back your U.S. checking account with 100% gold or silver bullion.
- —where to buy a government bond that is pegged to the price of a famous gold coin, and that pays interest too.
- —how to own $25,000 worth of gold bullion for as little as $1,000 down.
- —how to have your gold and silver, and earn interest on it too.



MARK SKOUSEN A registered investment advisor, Mark Skousen holds a Ph.D. in banking and monetary economics from George Washington University, and served as an economic advisor to the CIA for two years. Presently Managing Editor of the respected *Inflation Survival Letter*, Mr. Skousen has also had long experience in various financial markets, and is author of three other books—*The 1977 Insider's Banking and Credit Almanac, Playing the Price Controls Game*, and *The 100 Percent Gold Standard*.

I'VE GIVEN YOU EVERYTHING YOU NEED.

For example, *CHAPTER 3* details the relationship between gold and paper money—and explains how changes in the volume of paper currency effects the market value of gold.

CHAPTER 4 shows you how gold is actually purchased, stored, and sold by investors, then takes you step by step through gold certificates and futures.

CHAPTER 6 examines gold stocks, and *the truth* about their long-touted value as a hedge against inflation.

CHAPTER 7 explores the pros and cons of that much misunderstood metal, silver...including why its value may actually decline during a depression.

CHAPTER 11 probes one of today's most intriguing investment opportunities: the purchase of specific foreign currencies such as the Swiss Franc and the German Mark . . . and how to manage such holdings based on shifts in their relative strengths.

And that's just a sampling of what you'll find in THE SENSIBLE MAN'S GUIDE TO SURVIVAL INVESTMENTS. Also featured are

- two proven ways to make money when gold and silver are *falling* in value
- how to make certain that your silver will never be worth less than $3.39 an ounce —*guaranteed by the U.S. Government.*
- how to pay wholesale prices for diamond-grade investments that have been earning 12% a year *for more than 20 years straight.*
- how to own gold stored in Switzerland and avoid the foreign bank account reporting requirement on your tax return
- how to "swap" gold bullion coins and take a tax deduction (a little-known IRS loophole)
- why new, uncirculated pennies will skyrocket in value in the near future.
- how to legally avoid the money reporting requirement when traveling abroad.
- the names of non-Swiss banks where you can have an account in Swiss Francs, one of the world's strongest currencies.

Yet even these specifics represent only part of the clearly-worded, professional guidance I've worked so hard to pack into THE SENSIBLE MAN'S GUIDE TO SURVIVAL INVESTMENTS.

YOU MUST JUDGE FOR YOURSELF...

that's why I'm so anxious to have you examine my book firsthand, at your own convenience. *And right now you can do it without risking a cent!*

Here's your ironclad, money-back guarantee: order a copy of THE SENSIBLE MAN'S GUIDE TO SURVIVAL INVESTMENTS through this ad, then take a full 30 days to browse through it after it arrives. If you decide that you don't want the book for any reason during that time, simply return it within those 30 days for a full and unquestioned refund.

Please be sure to fill out the coupon and mail it in right away, though. I *know* that you'll find my book to be an indispensible asset in today's upside-down world of personal finances and investments. And I don't want you to miss benefiting from it just because you "forgot."

High Street Press R-1
P.O. Box 31058
4808 St. Barnabas Rd.
Wash., D.C. 20031

☐ **YES,** send me a copy of THE SENSIBLE MAN'S GUIDE TO SURVIVAL INVESTMENTS. I am enclosing $10 plus 75¢ for shipping and handling as indicated below, and understand that I will receive a full refund if I return the book for any reason within 30 days after it arrives.

☐ make check
payable to: High Street Press

Name_____

Address_____

City_____

State_____ Zip_____

Maryland residents add 5% sales tax.
Please allow 4-6 weeks delivery.